



Daily Report

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Daily Report China

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General

Shamir Claims Relations With U.S. Remain Solid

OW2503224992 Beijing XINHUA in English
2101 GMT 25 Mar 92

[Text] Jerusalem, March 25 (XINHUA)—Israeli Prime Minister Yitzhaq Shamir today expressed confidence that his country's relations with the United States would remain solid despite recent difficulties.

"There are some difficulties and misunderstandings but basically the relations are very close and very strong," the prime minister said.

He attributed the tension in bilateral ties to "misunderstandings," apparently referring to the American press allegation that Israel illegally sold weapons technology to third countries.

A team of U.S. specialists from the State Department and the Pentagon, was due to leave Israel for home Thursday after a five-day fact-finding mission.

The team refused to unveil results of the investigation, but Israeli Defense Ministry officials said the Americans had found nothing to back the press charges.

Commenting on the team's inspections of the missile batteries, Shamir said: "I hope those who thought the American team would find something would now regret their thought."

He described as "nonsense a press report that Washington was considering an economic embargo on Israel.

Iran Mediating Nagorno-Karabakh Ceasefire

OW2503224792 Beijing XINHUA in English
1733 GMT 25 Mar 92

[Text] Tehran, March 25 (XINHUA)—An Iranian envoy, currently on a mission to mediate between Armenia and Azerbaijan, has reviewed with both sides reports on ceasefire violations in an attempt to prevent further breaches, the official Iranian news agency IRNA reported today.

Deputy Foreign Minister Vaezi arrived in Baku from Yerevan last night to discuss the incidents with Azerbaijani officials, IRNA said.

Vaezi also conferred with Armenian officials through telephone on ways to prevent further ceasefire violations, IRNA said, but did not give details.

Three cases of ceasefire violations have been reported in Aghdam, Khankandi and Shosha in the Nagorno-Karabakh region, an Armenian-populated enclave inside Azerbaijani borders, since a Tehran-mediated truce took effect last Friday.

The two warring sides, under Iran's mediation, had agreed at their Tehran meeting to stop hostilities as of

mid-day on March 20 and declared willingness to exchange prisoners of war and remains of those killed in clashes.

The four-year-old conflict between the two republics of the former Soviet Union has claimed more than 1,000 lives.

IRNA said Vaezi held talks with Azerbaijan's Prime Minister Hassan Hassanov and acting President Yaqub Mohammedov, and reached agreement with them on increasing aid to people in Karabakh and in Armenia through Azerbaijani territory, but it did not mention where the aid would come from.

U.S., Philippines Dispute Over Toxic Waste

HK2603015992 Beijing XINHUA Hong Kong Service
in Chinese 1233 GMT 15 Mar 92

["Commentary" by reporter Xiong Changyi 35742490 5030: "Who Will Be Responsible for Cleaning Up Poisonous Wastes in Subic Bay?"]

[Text] Manila, 15 March (XINHUA)—A war of words has erupted for the last few days between the Philippines and the United States on cleaning up the toxic wastes at the Subic and Clark bases. The debate focuses on the question of which must clean up the toxic wastes in the bases—the host country of the Philippines or the United States, which set up the bases?

On 3 March, Philippine Defense Secretary Renato de Villa urged the United States to clean up all toxic wastes in the bases before returning them to the Philippines. The United States, however, flatly denied again and again the existence of toxic waste at the two bases.

U.S. Ambassador to the Philippines Frank Wisner and U.S. Assistant Secretary of Defense James Lilley, who visited the Philippines not long ago, said that, because toxic waste is now nonexistent, there is no need to talk about cleaning up the substance.

The fact is that there are toxic waste in the Subic and Clark bases and moreover, the case is considerably serious.

According to a research report released in 1990 by the U.S. General Accounting Office, among the 375 U.S. military bases abroad, 76 were seriously contaminated by toxic chemicals and waste, including the Subic and Clark bases. The 1992 research report of the U.S. General Accounting Office also pointed out that contamination was serious in the Subic and Clark bases and that the United States should dispatch specialists to help clean up the toxic waste.

Again, in June 1990, the U.S. LOS ANGELES TIMES disclosed that David Bitu [3024 0956], a senior nonmilitary personnel of the Department of Defense in charge of environmental issues, admitted that the U.S. military once dumped tonnes of toxic chemicals into the Philippines' Subic Bay. In August 1990, the U.S. DEFENSE

CLEANING MAGAZINE carried an advertisement to engage contractors to clean up the 20 tonnes of dangerous waste in the Clark base.

According to Wisner and Lilley, toxic waste are completely nonexistent in the U.S. military bases. Now that no toxic waste exists, what is the use of putting up an advertisement to clean it up?

The United States has always paid no attention to the pollution problem of its overseas military bases. According to documents revealed by the Pentagon, U.S. overseas military facilities are not subjected to the restriction of the U.S. state environmental policy. Nor are they subjected to the restriction of a host country's environmental laws and decrees. Since 1978, the U.S. Department of Defense has never had any plan to clean up waste in its overseas military bases and any budget on the issue. According to the U.S. General Accounting Office's calculation, it will take \$35 billion in all to clear the 375 U.S. overseas military bases of toxic waste, or each base will cost \$93 million on the average for such purposes. This is probably the reason the United States has flatly denied the existence of toxic waste in Subic and Clark bases.

Philippine President Corizon Aquino has ordered a survey into the toxic waste problem of the U.S. military bases. Recently, Philippine Senator Tanada emphatically pointed out: "The United States has used these bases and dumped toxic waste in them for a long time, thus endangering our natural resources. The United States has the moral responsibility to clean up the toxic waste or compensate the Philippines for the losses it caused."

A well-known Philippine columnist put it well when he said: "After spending a night at a friend's house, a polite guest will make his bed." After using the bases for a long time, "our U.S. guests" must also restore their original natural surroundings.

Radio Comments on Chengdu Southwest Symposium

*HK2503131892 Chengdu Sichuan People's
Radio Network in Mandarin 2300 GMT 24 Mar 92*

["Short station commentary": "Unite Together, Head for Southeast Asia"]

[Text] Since reform and opening up, our country has scored noteworthy achievements in economic development. However, there is no denying that there has existed a gap between coastal areas and the hinterland regarding economic development. What should various provinces and regions in China's southwest do under an excellent situation in which the whole nation is making concerted efforts to further expedite the pace of reform and opening up? What should Sichuan Province do under such an excellent situation?

China's southwest is extremely rich in natural resources and is in possession of more advanced processing technology and high quality precision technology compared with those in the possession of majority of the Southeast Asian countries, particularly in such fields as electronics, astronautics, machinery and electric products manufacture, and some other fields. Geographically situated near Southeast Asia, China's southwest has all along demonstrated stronger competitiveness in comparison with other Chinese regions in economic and trade cooperation with various Southeast Asian countries. Sichuan is a large hinterland province that is neither near the sea nor borders on neighboring foreign countries. When China's southwest is viewed as a whole, we can see that Yunnan Province and Guangxi Region border on such Southeast Asian countries as Burma, Laos, Vietnam, and so on and share with these countries an extended common boundary line. Therefore, association among various provinces and regions of China's southwest has not only enhanced the competitiveness of each and every province and region concerned but also made it possible for Sichuan to develop contacts with the aforementioned countries through both sea and land routes. Now that our country has improved relations with the abovementioned neighboring countries, conditions have become riper for China's southwest to expand economic and trade contacts and develop economic, trade, and technological cooperation with various Southeast Asian countries. Therefore, various provinces in China's southwest should grasp opportunities, strengthen association, open up new vistas through association, promote development through opening up, join hands in heading for Southeast Asia and the whole world, and strive to open up brighter prospects for multilateral cooperation characterized by from each according to its ability, to each according to its needs, common development, and an infinite future.

United States & Canada

U.S. Denies Suppressing Prison Goods Evidence

*HK2603060592 Hong Kong SOUTH CHINA
MORNING POST in English 26 Mar 92 p 2*

[By S.Y. Yue]

[Text] The U.S. State Department yesterday denied accusations that it tried to suppress evidence that shoes exported to America by a Hong Kong-based company were made in a Chinese prison.

U.S. Government and labour sources had alleged that the evidence was suppressed to avoid inflaming the debate on China's Most Favoured Nation trading status.

The U.S. Consulate in Hong Kong issued a statement last night denying that staff had attempted to disguise the nature of the trade between the Hong Kong-based shoe company Mabuel, and its Guangzhou-based manufacturer.

Officers from the U.S. Consulate General in Guangzhou last month attempted to visit the Flower City Leather Shoe Factory, which was said to produce shoes for Mabuel.

The U.S. State Department said in the statement that its officers were stopped before reaching the gate by an armed guard who told them that the factory was a "foreign" concern.

The U.S. Consulate General informed U.S. State Department, which said it passed on the information electronically to "a number of other Washington agencies, including the U.S. Customs Service."

"The Department of State has transmitted to other concerned government agencies all information available to it on this subject," it release said.

The State Department said it had not been made public to avoid revealing classified information which was sensitive for law enforcement reasons.

A spokesman for the Hong Kong Leather Shoe merchant and Shoe Material Merchant Association said Mabuel was not one of its members.

A spokesman for the Trade Development Council said they had been reiterating to local merchants and manufacturers that they should pay attention to the import regulations of overseas countries.

In January, Hong Kong based Canadian Mr Ron Baker told REUTERS that he was employed by Mabuel to oversee production of shoes in a prison in Guangzhou.

Mr Eddie Lau of the company, which is now called City Baby, denied at the time that his firm had used prison labour in southern China.

Investigations in Hong Kong yesterday showed the company had changed its name and offices, and staff said Mr Lau was now in Guangzhou.

The company, now called Eddie's Footwear, has moved from its offices on the seventh floor of the Hilder Centre in Hunghom, although a small label bearing the name Mabuel can still be seen by the door.

A worker seen refurbishing the interior of the vacated office said he did not know when the last tenant left.

A member of staff from an office opposite to the old premises said it seemed to him to be a godown [warehouse], and he only saw people open the door of the office occasionally. He said the last time he saw people going in and out of the flat was a month ago.

It is known that Mabuel had been inactive for sometime last year before it changed its name to Eddie's Footwear.

Mr Lau is the managing director of the company and there are only 15 staff in its Hong Kong office.

The major market of the company is known to be North America, Australia and Europe.

Central Eurasia

Overseas Invitation Letter Speculation Increases

HK2503002592 Hong Kong MING PAO in Chinese
14 Mar 92 p 7

[By Chen Meng (7125 5536): "Speculation on Overseas Invitation Letters Popular in Beijing"]

[Text] As large numbers of former Soviet and "Eas. European international speculators" flocked into Beijing for goods purchases to make "a quick buck," Beijing individual households discovered a new market which might bring them good fortune. As a result, there has been a sudden increase visits to the former Soviet Union and East European by Beijing people carrying various sizes of luggage.

In the last two years, over 40,000 to 50,000 people in Beijing have applied to visit the former Soviet Union and East Europe. Overseas invitation letters have become a standard proof for overseas travel, and people hoping to go overseas see the letter as the "first trial for overseas travel."

Seeing the important profitable value of invitation letters, people with overseas connections are all engaged in black-market trading of invitation letters. It is said that on the black market a letter from the former Soviet Union for relative visits is priced between 2,000 and 2,500 yuan; one from Mongolia, Hungary, and other countries is 2,000 to 3,000 yuan; and one confirmed invitation to Japan for a short nongovernment cultural exchange can fetch close to 5,000 yuan. Invitation letter scalpers usually act in league with international speculators, who will issue invitation letters from a department, association, or individual in the home country to the scalpers in Beijing who sell to those eager to leave the country.

A cadre at a certain organ in Beijing heard that an individual wanted to make a trip overseas with his girlfriend but found no way to do it. The cadre had his overseas relatives buy, for \$400, two relative-visit invitation letters from an East European country and sold them to the individual for \$800, thus earning a net \$400 after only "changing hands" once. This proved the beginning of an intense undertaking for the cadre. In a year's time, he sold over 30 such letters using the same method, earning \$6,000 after deducting "rebates" for middlemen.

A Mr. Ye working in a joint trading venture in Beijing, seeing how much money one could make from selling invitation letters, thought up the scheme of having a branch company in Japan issue invitation letters to some Mainland qigong masters, cooks, and acupuncturists to

Japan for "exchange activities," charging \$800 to \$1,000 for each invitation letter. In less than one year he made 50,000 yuan in profit.

Most of the high-priced letter buyers are individual households loaded with cash, scholars eager for overseas study, and township and town enterprise managers. Some of them want to make a fortune overseas, some want to do some small-scale production, and some want no more than overseas travel to end the agony of never having gone outside the country before.

The Beijing Municipal Public Security Bureau International Affairs Section is paying close attention to the increasingly rampant letter speculation. But, as the black-market trading is generally well hidden, with both buyers and sellers consenting under the idea that it poses no harm to society, there have been few reports on the activity. Moreover, it is difficult to identify the kin relationships marked in the invitation letter. Therefore, although the Public Security Bureau has investigated similar cases, such activity is still going on in the dark and it seems hard to weed it out.

Ukraine Urges Servicemen To Return Home

OW2503224892 Beijing XINHUA in English
1552 GMT 25 Mar 92

[Text] Moscow, March 25 (XINHUA)—Ukrainian President Leonid Kravchuk issued a decree today urging Ukrainian servicemen in war-torn Azerbaijan, Armenia and Moldova to return home.

The servicemen should return to Ukraine before May 20, and officers should be back between 1992 and 1993, his decree, published by UKRAINFORM-TASS news agency, maintained.

Armed conflicts in the three republics have threatened the security of the Commonwealth of Independent States' army, and some soldiers have been killed.

The Belarussian Supreme Soviet passed a decision earlier this month recalling its countrymen serving in the Transcaucasian region and Moldova.

Heilongjiang-CIS Border Trade Develops

SK2603042992 Harbin Heilongjiang People's
Radio Network in Mandarin 1000 GMT 25 Mar 92

[Text] According to the information provided by pertinent departments, in the first two months of this year, the province's border trade showed a good trend for vigorous development. To further open the province to the outside world, this year the province has adopted even more flexible measures to promote the border barter trade. As decided through consultation, the province has increased the amount of export food items, light and textile industrial products, medicines and chemical reagents, and mechanical and electronics products demanded by the various states of the CIS. And, raw materials such as chemical fertilizers, timber, and rolled

steel bartered by the province from the CIS have also increased over those in the corresponding period of previous years.

This year, the economic and technological cooperation situation between the province and the CIS has been good, and the forms of cooperation have been flexible and varied. For instance, the province has run cooperative plants in the CIS by providing technology and labor, and the CIS has run joint ventures in the province by investing materials. By the end of February, 15 cooperative projects had been carried out. Early this year, Heihe initiated a [words indistinct] plant, an edible fungus farm, and a timber processing plant in Russia's Blagoveshchensk City, a close neighbor separated only by a strip of water, and all their products were sold in the Russian side. At the same time, Blagoveshchensk City initiated a brewery, a wooden products plant, a brick and tile plant, and a farm machine spare parts plant in Heihe City, with most products being sold on the Russian side. Recently, the two cities have again initiated a dozen of cooperative items, and specific consultations are underway.

Since the beginning of this year, Suifenhe, Heihe, Tongjiang, and Dongning have signed trade contracts valued at 700 million Swiss francs with various traveling traders from the CIS.

Northeast Asia

Vice Premier Zou Jiahua Meets DPRK Guests

OW2503124192 Beijing XINHUA in English
1218 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with a delegation from the State Construction Commission of the Democratic People's Republic of Korea (DPRK) here today.

The delegation is headed by commission chairman Kim Ung-sang [name as received].

Chinese Minister of Construction Hou Jie and Korean Ambassador to China Chu Chang-chun attended the meeting.

The Korean guests have been here to study China's economic construction and special economic zones.

The delegation arrived here Tuesday and will also visit Tianjin, Guangzhou and Shenzhen.

Song Jiang Meets With Japanese Delegation

OW2503103392 Beijing XINHUA in English
0936 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—Song Jiang, Chinese state councillor and minister in charge of State

Science and Technology Commission, met with a delegation of the Japan Information Service Industry Association led by its chairman Tomoo Takahara here this afternoon.

The Japanese association is composed of more than 600 companies involved in information services.

Japanese-Invested Tianjin Firm Begins Operation

SK2603004192 Tianjin TIANJIN RIBAO
in Chinese 16 Jan 92 p 1

[Text] Yokoyama Seiji, a special director of Japan's NEC corporation, met with Zhang Lichang, executive vice mayor of the municipality on the morning of 15 January at Tianjin Municipality's Yingbin Guesthouse. They held friendly talks on strengthening cooperation ties.

The Tianjin Electronic Telecommunications Industrial Corporation, a program-controlled telephone switchboard project, was established on 1 January. This corporation was built with the investment jointly provided by the municipality electronic instrument and meter bureau, the municipal postal and telecommunication administrative bureau, NEC of Japan, and the Sumitomo Corporation of Japan. Yokoyama Seiji made a special visit to Tianjin to attend the corporation's first meeting of directors. At the meeting, Zhang Lichang greeted the establishment of the corporation. He said that both sides have a good foundation for developing cooperation in various spheres. He hoped that both sides would develop cooperation ties in various spheres, particularly in the high-technology sphere. Yokoyama Seiji said that the corporation's establishment was a good start for developing cooperation ties. He pledged to try to improve the corporation, and hoped that the corporation would contribute to high-technology development in Tianjin.

Wang Zhen Pens New Sino-Japanese Bimonthly

OW2403082792 Beijing XINHUA Domestic Service
in Chinese 2120 GMT 23 Mar 92

[Text] Beijing, 24 March (XINHUA)—The Japanese edition of YOUHAO [FRIENDSHIP 0645 1175] 21, a bimonthly magazine published jointly by the International Cultural Publishing House in China and the Japanese-Chinese Friendship Publishing House in Japan, was formally inaugurated in Osaka, Japan, recently.

The large publication will carry reports on China's policies on the coastal region's special economic zones, their resources, and their stages of development. It will also introduce the latest development in China's reform and opening to the outside world. Vice President Wang Zhen and other leaders wrote inscriptions for the magazines.

The inaugural issue of the magazine gives a detailed account of the investment environment and ongoing projects, as well as various preferential measures in China's Hainan Province. It is understood that the

second issue of the magazine, which will be published in May, will give extensive reports on various preferential policies and the investment environment in Shanghai's Pudong development district.

Near East & South Asia

Libya's al-Qadhdhafi Meets Envoy Wang Houli

CM2603122892 Beijing XINHUA Domestic Service
in Chinese 0210 GMT 26 Mar 92

[Text] Tunis, March 25 (XINHUA)—Libyan Leader Mu'ammarr al-Qadhdhafi received Chinese ambassador Wang Houli today in Tripoli and they discussed international issues and bilateral relations. The two sides had a friendly conversation.

According to a report from the Libyan capital, Qadhdhafi and Wang exchanged views on current world affairs of mutual concern and the further development of Chinese-Libyan cooperation in various fields.

The report added that Qadhdhafi spoke highly of the important role China plays in international affairs and its support to the Third World countries.

Nepalese Prime Minister Visits Shaanxi's Xian

HK2503115192 Xian Shaanxi People's Radio Network
in Mandarin 0030 GMT 19 Mar 92

[Text] Nepalese Prime Minister Girija Prasad Koirala, who is also the minister of royal palace affairs, defense, and foreign affairs, and his entourage arrived in Xian yesterday by plane, accompanied by Liu Zhongyi, Chinese minister of agriculture. Vice Governor Zheng Silin; (Zhang Kailuo), provincial foreign affairs office director; and (Xu Zicheng), provincial agricultural and animal husbandry office director, greeted the guests at the airport and accompanied them during their tour.

Yesterday afternoon, Nepalese Prime Minister Koirala and his entourage visited our province's (Shaji) food experimental factory, and showed great interests in the (Shaji) series products produced by the factory. When Koirala said he wanted to establish the same kind of factory in his country, Vice Governor Zheng Silin, who was accompanying the guest, said that as long as both sides can decide on a cooperation project, we are willing to provide technology. The Nepalese guests also visited the Big Wild Goose Pagoda.

In the evening, Governor Bai Qingcai held a banquet in honor of Prime Minister Koirala and his entourage.

West Europe

Embassy in UK Explains Official's Disappearance

HK2603030892 Hong Kong TA KUNG PAO
in Chinese 26 Mar 92 p 2

["Dispatch from London": "Chinese Embassy in London Issues Statement, Stressing That Feng Baosheng Incident Has Nothing To Do With Politics"]

[Text] London, 25 Mar (TA KUNG PAO)—Concerning the incident of the sudden disappearance of Feng Baosheng, a first secretary at the Chinese Embassy in Britain, a spokesman for the embassy said today: The Feng Baosheng issue is connected with an extramarital affair. His departure from the embassy has nothing whatsoever to do with politics, and political asylum is completely out of the question.

The spokesman said: Because Feng Baosheng was involved in an extramarital affair, Mrs. Feng requested several times that they go home earlier than scheduled. It is somewhat strange that the couple left together without notice. The reason for this has yet to be ascertained.

The spokesman stressed: A certain newspaper lumped the incident together with politics. This is a groundless fabrication.

Feng Baosheng was first secretary at the Administrative Department of the Chinese Embassy to Britain. He had worked in Britain for two years and left the embassy last week.

Vice Governor Zhang Receives German Officials

SK2503010292 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 9 Mar 92

[Summary] Zhang Ruifeng, vice governor of the province, cordially received at Qilu Guesthouse the responsible personnel of the German Technical Cooperation Company on 9 March, who are making a fact-finding tour of the province to evaluate the cooperative project between China and Germany regarding the production of grain- and oil-bearing seeds, and the German officials who are staying in Jinan city to coordinate the project's implementation.

The grain and oil-bearing seed project between China and Germany is the largest international support project of this type in Germany. This is also the largest gratuitous assistance that the province has received. The project was put into effect in 1988 and has been carried out smoothly since then. The project has achieved noteworthy economic results and social benefits.

During the reception, Vice Governor Zhang Ruifeng, on behalf of the provincial people's government, thanked the German Government and the directors of the German company, who also expressed satisfaction with the smooth progress of the PRC-German project.

NPC Session

Chen Jinhua, Li Lanqing Hold News Conference

Cited on Reform, Foreign Trade

OW2603095992 Beijing XINHUA in English
0942 GMT 26 Mar 92

[Text] Beijing, March 26 (XINHUA)—Chinese Minister Chen Jinhua in charge of the State Commission for Restructuring the Economy and Minister Li Lanqing of foreign economic relations and trade gave a joint press conference on China's further reforms and economic ties with foreign countries here this afternoon.

On foreign trade, Li said China's total import value is expected to exceed 300 billion U.S. dollars during the Eighth Five-Year Plan period, that is, from 1991 to 1995.

China has sent representatives of commerce and trade to all the members of the Commonwealth of Independent States and its economic and trade relations with them have made "real and good progress," he said.

On China's economic and trade ties with South Korea, Li said, the two sides have signed a non-governmental trade agreement which was approved by the two governments. Also, the two sides have exchanged chief representatives of trade, he added.

Therefore, the absence of formal diplomatic relations will not hamper very much the expansion of the economic and trade relations between the two countries, Li said.

As for the negotiation on restoring China's status of a signatory state of the General Agreement on Tariffs and Trade (GATT), he said, examination of China's economic and trade system, which had lasted for years, ended this past February, thus ushering in a new stage of discussing the protocol on resuming China's status as a GATT signatory party.

Chen, stating China's new reform measures, said the focus will be on the transformation of the operational mechanism of enterprises. Reforms will be carried out with regard to the labor and personnel systems, the price, housing and medicare systems, he said.

In the process of transforming the operational mechanism of enterprises, he said the government will pay attention to the bearing abilities of workers and take a range of measures to maintain their living standard.

Chen: Leaders To 'Iron Out Differences'

HK2603112092 Hong Kong AFP in English 1110 GMT
26 Mar 92

[Text] Beijing, March 26 (AFP)—China's top leaders will meet here next week to iron out differences over how to implement senior leader Deng Xiaoping's call for faster reform, a minister said Thursday.

"There are different viewpoints on some matters," said Minister of the State Commission for Restructuring Economy Chen Jinhua. "This requires internal discussion to unify our understanding. I think this is normal."

"You shouldn't necessarily say there is opposition, there are different viewpoints because ministries have different work and functions," he told AFP after a press conference.

Chen said ministers would meet next week to address the problems.

It was the first public acknowledgement of dissent within the Chinese Government over steps to push ahead with reforms laid down by Deng during a series of policy-setting speeches in January and February.

Vice Premier Zhu Rongji disclosed Wednesday he would convene six separate meetings next week involving more than 10 ministers to review a report on policy decisions to be written up by Chen.

The ministries must give up some of their powers if reforms are to go ahead smoothly, he said, citing overlapping responsibilities that created bureaucratic obstacles to carrying out new policies.

Zhu, who was speaking at an open session of the ongoing National People's Congress, said he would ask the ministers what powers they would be willing to give up.

If no agreement is reached, he said, it would show the government was not earnest about reform and had not "liberated" its thinking.

Li Lanqing on ROK Economic Ties

SK2603131592 Beijing Radio Beijing in Korean
1100 GMT 26 Mar 92

[Text] Yao Guang, spokesman of our country's National People's Congress, held a news conference for domestic and foreign reporters in Beijing today.

Li Lanqing, minister of Chinese foreign economic relations and trade, and Chen Jinhua, minister of the Chinese State Commission for Restructuring the Economy, answered questions from domestic and foreign reporters at the news conference.

Asked by a station reporter about China's specific measures to open markets and increase imports, Minister Li Lanqing said that our policy is to maintain the balance of export-import trade on the principle of maintaining some foreign exchanges holdings. Saying that the amount of our imports from 1991 to 1994 will exceed \$300 billion, Minister Li Lanqing added that China is making efforts to further complete an export-import management system suitable for our country's specific situation and for customary international practices.

When asked by a South Korean reporter about what issues have risen in further expanding bilateral relations, given that the amount of Chinese-ROK bilateral trade

will reach \$10 billion this year, and there are no official diplomatic relations, Minister Li Lanqiang said the following: When there are no official diplomatic relations, some issues will inevitably take place. However, both our sides have wisdom for finding a resolution. For example, even though we do not have a trade treaty between the governments, we have allowed the Korean Trade Promotion Association to hold contacts with the China Council for the Promotion of International Trade. Both sides' governments recognize a trade treaty concluded between them. Even though there have been no official representatives between the two countries, both sides have established civilian representative offices in each capital. We support the civilian representative offices.

Report by Procuratorate's Liu Fuzhi Previewed

HK2603060892 Hong Kong SOUTH CHINA
MORNING POST in English 26 Mar 92 p 10

[By Kent Chen]

[Text] A senior law and order official has claimed that the Chinese judicial and prison systems abide by human rights standards.

In a report to the National People's Congress to be tabled tomorrow, the head of the Supreme People's Procuratorate, Mr Liu Fuzhi, also warns against "a small number of people" staging subversive activities against the "people's democratic dictatorship".

But in accordance with Beijing's claims that judicial proceedings for most of the cases related to the 1989 democracy movement have been settled, Mr Liu steers clear of references to China's treatment of dissidents.

A large proportion of Mr Liu's 15-page report is devoted to highlighting China's protection of human rights and to defending its reform-through-labour institutions.

He also reveals that the Supreme People's Procuratorate is drafting an anti-corruption law to keep the Government clean.

A major anti-corruption drive launched last year resulted in the prosecution of 24,176 suspects, and 500 million yuan (HK [Hong Kong dollars] \$709 million) worth of embezzled money and goods were recovered.

In 1991, 924 cadres above county level were investigated and penalised. These included 889 county level officials, 34 provincial level officials and one ministerial level official.

In his report, the Chief Procurator describes China's law and order condition last year as "generally good".

But he admits there are a lot of problems.

"Serious crimes such as murder, robbery, rape and bombings remain rampant. In some cities and regions, highway robbers and bandits are developing into triad-like criminal gangs."

Mr Liu dwells at great length on China's protection of human rights, saying that the country attaches great importance to safeguarding the rights of citizens.

"The attacks and rumour-mongering of reactionary forces against us on the issue of human rights are totally groundless", he says.

He adds that procuratorate organs have investigated officials suspected of dereliction of duty and of infringing the rights of citizens.

According to Mr Liu, last year, a total of 407 alleged cases of torturing suspects were investigated, down 13 and 1/2 percent compared with 1990.

And 389 cases involving the lodging of false charges were investigated, down by 16 percent from last year. The number of cases concerning "reprisals" was 49, a decrease of 27 percent over 1990.

But the number of unlawful detention allegations increased by 23 percent to 4,338, while cases of dereliction of duty reached 3,189, up five percent.

"A few units and individuals did not resolve problems by lawful means, but simply resorted to illegal procedures, such as taking hostages," he said.

Mr Liu also admits that a small number of officers in reformatories have imposed corporal punishment on prisoners, released criminals without approval, and showed favouritism for bribes.

"Our country's reform through labour policy is successful. Since its introduction several decades ago, we have been adopting a 'reform first, and production second' policy and the result is widely acknowledged in the world," he writes.

Ren Jianxin To Mention 'Counterrevolutionaries'

HK2503035092 Hong Kong SOUTH CHINA
MORNING POST in English 25 Mar 92 p 10

[By Daniel Kwan in Beijing and Willy Wo-lap Lam]

[Text] Chinese courts are adopting tough tactics to stem the growing number of serious crimes, specially drug trafficking.

In a report to be tabled at the National People's Congress this weekend, President of the Supreme People's Court, Mr Ren Jianxin, also indicates the nation will mobilise all resources to "crackdown hard on criminals who seriously jeopardise social order".

Also targeted are "counter-revolutionaries who endanger national security", meaning dissidents and other people opposed to Communist rule.

At the same time, Mr Ren, who is also a member of the Communist Party Central Committee, points out that the number of civil and commercial lawsuits involving Hong Kong citizens has increased dramatically.

Mr Ren's report, a copy of which was obtained by the SOUTH CHINA MORNING POST last night, says that courts of all levels held first trials of 427,607 criminal cases in 1991.

While this represents a slight drop over the 1990 figure of 457,552, the top judge says he is disturbed by the growing threat posed by serious crimes, including narcotics, robbery, murder, rape, triads, and underground rings.

Robberies, including those perpetrated by triads and gangs, accounted for 36.5 percent of the criminal trials last year.

Drugs-related crimes have increased dramatically. In 1991, the courts staged trials over 4,307 drugs-related cases, a jump of 32.5 percent over 1990.

A total of 5,316 narcotics-related criminals received sentences, a hefty 23.7 percent over the previous year.

The head of the Chinese judiciary discloses that the party and government authorities had by the middle of last year decided to adopt tough tactics towards hardcore criminals, mainly the imposition of heavier sentences, including the death penalty.

This is reflected by the fact that 36.2 percent of the 509,221 convicted criminals in 1991 got sentences of over five years.

Last year also saw a sizeable rise in legal cases involving economic disputes with foreign companies.

More on Qiao Shi, Zhu Rongji With Shanghai Group

*OW2503181292 Beijing XINHUA Domestic Service
in Chinese 1332 GMT 25 Mar 92*

[By reporter Ma Kuijun (7456 7608 0689)]

[Text] Beijing, 25 Mar (XINHUA)—This morning Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau, and Zhu Rongji, vice premier of the State Council, deliberated the Government Work Report with Shanghai deputies. Participants in the deliberation called for developing a sense of urgency regarding economic construction, for losing no time in deepening reform and opening up wider to the outside world, and for not wasting the 1990's.

The deputies took turns speaking, touching on such topics as industry, agriculture, science and technology, education, and ways to improve large and medium-scale enterprises and to change the functions of government organizations. Their discussions were lively.

After hearing the deputies' speeches, Qiao Shi said: We are already into the third year of the 1990's. We should

foster a strong sense of urgency, lose no time in carrying out construction programs, rally all positive factors, speed up reform and openness, and strive to realize the second-step strategic objective.

Qiao Shi noted: The current situation at home and abroad is favorable to us; we should not miss the opportunities afforded by this. The party Central Committee and the State Council hope to develop the economy quickly; this is the wish of people across the country. Construction programs in a big country like ours are still beset by many problems. Therefore, we should rely on reform and openness to release the productive forces. China's present good situation results from over a decade of reform and openness. China will surely undergo changes if it carries on the basic line of "one central task and two basic points."

On Comrade Deng Xiaoping's thought on building socialism with Chinese characteristics, Qiao Shi stressed: We should grasp the essence of this thought and try to improve our understanding. We should not merely pay lip service to it repeatedly. We can truly implement Comrade Xiaoping's thought and the party's basic line only if we work in a sincere and down-to-earth manner in accordance with the essence of the thought. Reform, openness, and economic construction require concrete efforts, not empty rhetoric. First of all, we should have a strong desire for reform and openness. Without this desire, we cannot get started. Moreover, we should not waver in our resolve to carry out the program of reform and openness. We should steadfastly pass on the program from generation to generation.

In his speech, Zhu Rongji stressed the need for adhering to the party's basic line in economic construction. He expressed the belief that strict adherence to reform and openness carries far-reaching significance for China and will advance China's historical process.

Zhu Urges 'Innovative' Reform

*HK2603042292 Beijing CHINA DAILY in English
26 Mar 92 p 1*

[By staff reporter Wang Xiangwei: "Bold Steps Demanded To Develop Shanghai"]

[Text] Vice Premier Zhu Rongji said yesterday that Shanghai, the linchpin of China's economic development in the current decade, should be more innovative in reform and opening up to the outside world "instead of merely waiting for documents from the central government."

He said that next week he would try to persuade relevant government ministries to give enterprises and local authorities more decisionmaking powers as part of the plan to improve their management.

Zhu, the former Shanghai mayor, called upon the country's biggest metropolis to mount a massive campaign to

update its infrastructure, implement more preferential policies, and expand the securities market.

He urged the city authorities to be more decisive and emulate Shenzhen, the country's most developed special economic zone, in expanding its fledgling securities market.

"In the past, the Shanghai securities market often marked time until the authorities gave explicit instructions, which partly explains why it now lags behind the market in Shenzhen," Zhu said, adding that Shanghai should be given a free hand to experiment.

He commented that the Shenzhen bourse has already issued 3.3 billion yuan worth of shares while that of Shanghai had been allowed only to float 390 million yuan worth of shares.

Zhu made the remarks at a panel discussion of the Shanghai delegation to the current National People's Congress.

The central government has already decided to spend \$1 billion to develop the eastern part of Shanghai (Pudong Area) to restore the city's position as one of Asia's economic and financial hubs.

In light of financial constraints, the central government is looking mainly to foreign investors to develop the area by giving them more preferential policies than those seen anywhere in the country.

Zhu said that the Shanghai municipal authorities should not set too high a price for land-use rights in the Pudong area as to discourage potential foreign developers.

He said that Shanghai should attract several multi-billion-dollar foreign-funded projects to usher in more foreign investment.

Zhu said that he is trying to persuade Ka-Shing Li, one of Hong Kong's leading entrepreneurs, to build container wharfs there.

A French conglomerate intends to build a \$1 billion refinery in the Pudong Area, he said.

"Shanghai should offer more attractions to foreign businesses. Otherwise big foreign investors will not come," he added.

Zhu said that the city should build a second international airport—probably the biggest in Asia—adding that one group of Japanese financiers he met had expressed interest in the project.

Concerning domestic reforms, he said that a draft plan has already been worked out to transform the operational mechanisms of enterprises, highlighting delegation of more decision-making powers.

Speaks on Pudong, Stock Exchange

*HK2603094692 Hong Kong TA KUNG PAO in Chinese
26 Mar 92 p 2*

["Special dispatch" from Beijing by staff reporter Hsing Yu (6717 6877): "Zhu Rongji on Major Plans for Pudong's Development"]

[Text] Beijing, 25 Mar—State Council Vice Premier Zhu Rongji stated that China should seize the favorable opportunity at the moment to further emancipate the mind, be bolder, and step up the pace a little in order to raise the economic construction endeavor to a new stage. This was also the spirit of Deng Xiaoping's speech during his southern tour.

Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau; Zhu Rongji, State Council vice premier; and Rong Yiren, vice chairman of the National People's Congress [NPC] Standing Committee, were present at today's plenary session of the Shanghai delegation to the Fifth Session of the Seventh NPC and listened to the views of the delegates. Zhu Rongji also delivered an hour-long speech at this meeting.

Zhu Rongji first described the favorable conditions facing China at the moment through an analysis of the domestic and foreign situations. He said: Western countries are presently in the throes of an economic recession, while the capitalist countries in the Asia-Pacific region are also going through hard times. He added that he witnessed these signs during his recent visit to Australia and New Zealand. Even the "four little dragons" of Asia are facing pressures caused by labor shortages, higher wages, and other factors as the entire world is confronted by the need to transform the economic structure. All these offer China an excellent opportunity. Looking at the domestic situation, the country's economic conditions are improving, while deep-seated contradictions are gradually being resolved. China enjoys political and economic stability. Last year's devastating floods caused losses of 20 billion yuan, but this is not expected to have a very big impact on the entire national economy. Agriculture will still reap a bumper harvest, the market is flourishing, commodity sales are robust. The national economy is advancing and the situation is excellent. It is a great time to embark on economic construction. He stressed that this favorable opportunity should be seized by emancipating the mind and stepping up the pace. However, he added: The question of how to emancipate the mind, become bolder, and step up the pace in order to boost the economy will have to be resolved by a profound grasp of the spirit of Deng Xiaoping's speech.

He asserted: The enormous accomplishments in the 13 years of reform and opening up represent an irrefutable historical fact both at home and abroad; however, if the mind had been a little more emancipated, then the accomplishments would also have been greater.

Zhu Rongji, formerly mayor of Shanghai, explained the necessity of emancipating the mind by citing the situation in Shanghai. He said: When we do business with foreign businessmen, we should not be afraid of incurring losses. Recently, when the central authorities announced the development of Hainan's Yangpu, some people claimed that the land was sold too cheaply. He disagreed with this view, saying that if the land was not cheap, then foreign businessmen would not be able to make profits. Why, then, should they come to invest? When somebody invests here, we are also a beneficiary. For instance, the internal recruitment of personnel also boosts the living standards of the local people. On the question of whether it is a case of being surnamed socialism or capitalism, he said: Is the importation of foreign capital, advanced technology and management techniques surnamed socialism or capitalism? Absorbing useful things from capitalism and transplanting them to the soil of socialism—this is a case of being surnamed socialism, and not capitalism. Is this problem not resolved then? Hence, we should not be afraid of being given labels. Greater boldness is required in economic undertakings.

Speaking on the development of Shanghai's Pudong, he said several huge projects are needed in Pudong. He revealed that he had met recently with Hong Kong businessman Li Ka-shing, whom he hoped to persuade to invest in a container port in Pudong. Shanghai is willing to make compromises in certain areas in order to establish mutual trust. He also revealed recent talks between Pudong and a French company regarding a joint venture to build a massive oil refinery at Pudong with an investment of several billion dollars. He also urged that this project be finalized quickly. He went on: This is an important project. Shanghai needs to build a second export outlet. If Shanghai fails to resolve this problem, the development of Pudong will be greatly restricted. At the same time, the Pudong airport (Shanghai's second international airport) should be constructed as soon as possible and built into Asia's biggest airport. He further revealed that Japanese businessmen were interested in this project. In short, the construction of big projects and of major infrastructure facilities should be given importance by Pudong and should be carried out as soon as possible by emancipating the mind and taking advantage of the excellent opportunity.

He also spoke on the floating of stocks in Shanghai. He recently had talks with the persons in charge of the Shanghai and Shenzhen stock markets and was lavish in his praise of the Shenzhen market. He said: Even though Shanghai has been engaged in stocks for a longer period of time than Shenzhen, the latter has moved ahead of Shanghai. Five major differences separate the Shanghai stock market from Shenzhen's, namely: 1) Shenzhen has already issued 3.3 billion shares worth 10 billion yuan, while Shanghai has issued only 393 million shares, one-tenth the number issued by Shenzhen. 2) The companies listed on the Shanghai stock market are too small and not famous. 3) Controls on prices in Shanghai have

not been lifted, while those in Shenzhen have already been lifted completely. Lifting price controls would incur risks, so Shanghai has not experienced any risks, while Shenzhen's stocks have undergone huge fluctuations, enabling shareholders to have a stronger awareness of monetary and risk-taking matters. Shanghai's stocks are basically on the rise. But when they fell slightly not long ago, it caused dozens of shareholders to surround the city government building, which is quite perplexing. 4) Shanghai lags behind Shenzhen in computerized operations. 5) Shanghai also lags behind Shenzhen in the issuance of shares. He hoped that Shanghai would sum up its experiences and step up the pace to do a good job in experimenting with the stock market system. He also maintained that it was not yet time for the promotion and popularization of the stock market system around the country as conditions were not yet ripe.

Zhu Rongji also spoke on the delegation of powers to the management of enterprises. He revealed that the State Commission on Economic Restructuring had already been instructed to draft such a plan, but had been blocked by various central departments and commissions. The persons in charge of these departments and commissions asked: Given that the functions of the State Council have not been amended and the organs have not yet been streamlined, who will be held responsible in the event that powers are handed down from the principal organs and a problem arises. On the other hand, Zhu maintained that the various government departments already have too much control over the enterprises, which have no management autonomy. If the enterprises cannot make their own decisions on administrative and management matters, they will also not be able to assume responsibility for their own profits and losses. He hoped that various departments and commissions would carry out an internal revolution to emancipate the mind and not wait until after a reorganization of the State Council in order to transform the management and operational mechanism of enterprises.

He also pointed out that certain government departments are not interested in macroeconomic management, but do hold a tight rein over microeconomic control because of the enormous powers therein. He noted that macroeconomic management should be carried out principally through laws and regulations, and not through personal whims and will. Economic levers should be used to achieve readjustment and regulation. The bankruptcy law should also be used. Banks should be granted management autonomy and allowed to assume risks. In short, the transformation of the operational mechanisms of enterprises is the biggest problem in current economic operations. He expressed hope that there would be a breakthrough in this problem within this year.

He also pointed out the need to be bolder in speeding up the rate of economic restructuring, with emphasis on the development of tertiary industry, the construction of infrastructure facilities, and the acceleration of the rate of boosting economic performance. All these will require

a conscientious grasping of the spirit of Deng Xiaoping's speech. He also quoted Deng Xiaoping: Anything which promotes growth should not be stopped, and if it accelerates speed, then let it be, as long as it stresses quality and economic results, and promotes export-oriented economy. In other words, the high speed referred to here is not an impractical one, but one which considers economic results as well as steady, stable, and coordinated growth. He also revealed: Investments in capital construction in January and February this year were 33 percent higher than in the same period last year, while investments in technical renovation were 50 percent higher. He went on: It is necessary to launch projects for which conditions are ripe, but the problem lies in some which were launched without careful thought, resulting in additional debt chains and a 10-billion yuan increase in stockpiling. Naturally, some practical problems also exist, but we should refrain from the blind and one-sided pursuit of high speed. He pointed out that the breaking of debt chains will continue this year, as will the clearing of stockpiles. This year's operating funds will be cut down by another 10 billion yuan. He explained: These measures are taken to ensure a realistic high speed.

He pointed out the need to step up the high speed in scientific and technological advances. He also revealed that while China made many compromises in the Sino-U.S. talks on intellectual property rights, it also became determined to engage in the vigorous development of science and technology. He added that two huge pharmaceutical conglomerates will be set up, one in Shanghai and the other in Hebei. A massive development of science and technology will be launched through these two experimental ventures.

He also remarked that his speech was based on his understanding of the spirit of Deng Xiaoping's speech.

Zou Jiahua Deliberates With Guizhou Panel

HK2603055892 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 24 Mar 92

[Excerpts] On the morning of 24 March, Zou Jiahua, State Council vice premier and concurrently State Planning Commission minister, arrived at the Guizhou Room of the Great Hall of the People where he joined Guizhou deputies to the current National People's Congress [NPC] session in deliberating on Premier Li Peng's government work report and discussing Guizhou's reform, opening up, and economic development. [passage omitted]

At the panel discussion, provincial Governor Wang Chaowen first took the floor and gave an account of Guizhou's economic development and all types of changes that had taken place in Guizhou in the last few years. After hearing Wang Chaowen's report, Vice Premier Zou Jiahua expressed satisfaction over Guizhou's work. [passage omitted]

Vice Premier Zou Jiahua said: The key to Guizhou's economic development lies in further emancipation of

minds and accelerated pace of reform and opening up. For a long time in the past, Guizhou was in a closed or semi-closed state. Therefore, Guizhou comrades must further emancipate minds, become bolder, make faster strides in reform and opening up, and press ahead with a sustained economic growth by virtue of in-depth reform and expanded opening up.

Vice Premier Zou Jiahua stated: In carrying out economic development, we must on no account neglect market work. Instead, we must make conscientious efforts to study and open up markets. This is indeed an issue bearing heavily on the overall national economy. By attaching growing importance to the market, we mean that it is necessary to attach growing importance to both international and domestic markets. In order to enter the international market, we must make our products truly adaptable to changes on the international market. Only thus will we be able to sell out our products. We must import advanced foreign technology to process our resources before exporting them so that we will not only be able to significantly increase economic efficiency but also push forward local economic development.

Speaking of opening up the domestic market, Vice Premier Zou Jiahua noted: The vast rural areas remain a huge market. The key to opening up the domestic market lies in opening up the rural market. To this end, we must try to strengthen people's purchase power. If we succeed in opening up the rural market and strengthening the people's purchase power, we will undoubtedly be able to expand the domestic market, promote overall social and economic development in the vast rural areas, and promote an overall national economic development.

Zou Jiahua asserted: In order to strengthen people's purchase power, the state should adopt a variety of measures to increase people's income. Guizhou should embark on a road of developing large-scale and efficient agriculture in light of actual local conditions and should promote a comprehensive development of agriculture, forestry, animal husbandry, sideline production, and fishery.

Zou Jiahua also gladly told the Guizhou NPC deputies: The state is currently linking Guizhou's economic construction with economic development of some western and southern provinces and regions with a view to enabling all the areas to learn from one another's strong points, offset one another's weaknesses, and complement one another in promoting common prosperity. The State Council will hold a forum to be attended by comrades in charge of Yunnan Province, Guizhou Province, Sichuan Province, Hainan Province, Guangdong Province, and Guangxi Region in the foreseeable future, at which the participants will study a variety of pertinent issues.

Zou Jiahua called on all relevant Guizhou departments to bring into full play Guizhou's superiorities in natural resources and other aspects and strive to raise Guizhou's economic construction to a higher level.

Tian Jiyun on Reform in Central, Western Areas

OW2503144892 Beijing XINHUA in English
1327 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—Chinese Vice-Premier Tian Jiyun today said that people in the central and western China should emancipate their minds, dare to make exploration and blaze new trails so as to quicken reform and opening up and narrow the economic gap with the east as soon as possible.

Tian made the remark this morning when he joined Xinjiang deputies to the National People's Congress in discussing the government work report delivered by Chinese Premier Li Peng earlier.

Over the past dozen years, China has made economic development and strengthened its national power, drawing the international attention, Tian said, but it is necessary to keep sober-minded.

Everything considered, Tian noted, the country has just solved the problem of feeding and clothing its people, and only the economic development in a few "deltas" with a small area has reached a relatively high level.

He pointed out that the vast areas in the central and western China areas are far from being developed.

"We should not rest satisfied with it, instead, we must lead the people to achieve a better life," he said.

Tian expressed his hope that the central and western regions would use their own conditions and advantages to speed up opening to the outside world.

He noted that for the whole country, the time has come to gradually carry out the strategies of opening up its border areas and the areas along the Yangtze River with the New Pudong District of Shanghai as the center, apart from continuing its efforts for opening in the coastal areas.

The state is considering to open up the areas along the Yellow River next, Tian said.

If development are made in all these parts, Tian said, China will become open in an all-round manner, from east to west, from the border areas to the hinterland and from the central part to outer regions.

This, Tian said, along with regional cooperation, will accelerate the country's pace to become better-off.

The major economic gap between the east and the west lies in the rural enterprises, Tian held. In some coastal areas in eastern China the output value of rural enterprises have taken up over 50 percent of the total output value, while the west regions are much weaker in this respect. The goal of becoming better-off can hardly be realized by relying on growing crops alone, he added.

This year, he said, the State Council will give priority to developing rural enterprises in the central and western regions in its work for rural China.

On the prospect of Xinjiang's economic development, Tian said that the autonomous region has three valuable advantages.

Xinjiang has a vast area of farmlands that provides the region with a big potential for all-round development of agriculture, forestry, sideline production, animal husbandry and fisheries, Tian said.

The autonomous region is rich in reserves of coal, oil, natural gas, nonferrous metals, rare metals and others, offering a great potential for developing industry, he said.

Xinjiang has a border of over 5,000 kilometers with neighboring countries, which is a good condition for the region to step up its foreign trade, he added.

Interferences of various kinds, particularly those from the "left" side, should be removed and the party's basic line of "one central task, two basic points" must be unswervingly implemented, Tian said.

The vice-premier called for emancipating the minds, renewing concepts so as to actively push forward reform and opening to the outside world and speed up economic development.

Wu Xueqian Urges Fujian To Introduce More Funds

OW2503165592 Beijing XINHUA in English
1342 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—Chinese Vice-Premier Wu Xueqian today urged Fujian Province to make greater efforts to draw more overseas funds, especially from Taiwan and Overseas Chinese, in a bid to boost its economy faster.

Wu made the remark at a group discussion on Li Peng's report on government work with the Fujian delegation to the National People's Congress (NPC).

It is a major advantage of Fujian Province to introduce funds from Taiwan, because of the short distance between the two and because facts over the past dozen years have proved that Taiwan entrepreneurs are willing to invest in Fujian, he said.

Wu believed good cooperation between Fujian and Taiwan businessmen could bring in more Taiwan funds.

The vice-premier said that this cooperation can help enhance economic exchanges between Fujian and Taiwan as well as accelerate the progress in the relations across the straits.

Meanwhile, efforts to attract funds of Overseas Chinese should not be ignored, he warned.

Wang Hanbin, vice-chairman of the NPC Standing Committee and also a Fujian NPC deputy, spoke of the common points between the two sides of the straits, namely, economic and trade relations and people-to-people exchanges.

Wang Zhaoguo, director of the State Council Office on Taiwan Affairs and NPC deputy of the province, said that Fujian has its own advantage in dealing with Taiwan. Therefore, his office will do its part in promoting the development in this regard.

He revealed that some large enterprises in Taiwan have the intention to invest in Fujian.

Zou Erjun, mayor of Xiamen, predicted that there will be a peak for Taiwan investment in Fujian during the period from the latter half of this year to next year.

Therefore, he proposed that Fujian should make preparations in expanding Taiwan investment areas, making proper arrangements and building infrastructures.

Song Jian Discusses Report, Issues With Groups

Attends Henan Deputies' Meeting

OW2503145692 Beijing XINHUA Domestic Service in Chinese 1435 GMT 24 March 91

[By HENAN RIBAO reporter Ma Hongtu (7456 1347 0956) and XINHUA reporter Xie Guoji (6043 0948 6068)]

[Text] Beijing, 24 Mar (XINHUA)—State Councillor Song Jian today attended a meeting of the Henan delegation to the Fifth Annual Session of the Seventh NPC, where the government work report was under deliberation. While listening to their opinions, Song Jian said that we must take bigger strides in our efforts to free up the productive forces of science and technology in order to woo more scientists and technologists into the main arena of economic construction.

In view of the issues brought up by Henan deputies, such as the irrational distribution of scientists and technologists and shortages of scientists and technologists in enterprises, Song Jian said: China does not have many scientists and technologists, and the majority of them are still concentrated in scientific research institutes. We will take bigger steps in our reform of the scientific and technological sector based on suggestions from deputies. We will try to create a social environment exceptionally attractive for scientists and technologists to put their talent and abilities to good use and woo them from major research institutes to join in the development of high- and new-technology industries. These scientists and technologists will enter into the main arena of economic construction in various forms. They may tackle key problems, develop products, provide consultative services, or run science- and technology-oriented firms.

Views S&T With Shandong Delegates

OW2603115092 Beijing XINHUA Domestic Service in Chinese 0313 GMT 26 Mar 92

[Text] Beijing, 26 Mar (XINHUA)—Song Jian, state councillor and minister of the State Science and Technology Commission, stated that practice has proved that Comrade Deng Xiaoping's views on science and technology being the primary productive force is rather correct. He made the above remark on 25 March while attending a meeting of the Shandong NPC [National People's Congress] delegation. He pointed out that stepping up reform of the science and technology system and ensuring the conversion of science and technology into a real productive force is one of the keys to accelerating the pace of economic construction. He also called for steadfastly implementing the policy to make science and technology work serve economic construction.

Song Jian said that if Shandong wants to boost its economy in the 1990's, it must take the actual conditions of the economic development in Shandong into consideration, train a number of entrepreneurs who are familiar with both domestic and world markets, and have large modern enterprises which can adapt their products to the international market. While taking note of the rapid progress that Shandong has made in the last decade, Song Jian pointed out that Shandong still lags far behind the Zhujiang and Changjiang Delta in economic development. He attributed the major reason for the gap to Shandong's lack of decisive and bold entrepreneurs who are able to develop modern industries.

Song Jian pointed out that if Shandong wants to upgrade its products and develop modern enterprises and enterprise groups, it will have to train a large number of entrepreneurs who are familiar with both domestic and foreign markets. Shandong will have to rely on them to greatly increase output value, to bring about large-scale circulation, and to convert resource advantages into commodity advantages. Society should create conditions for training such entrepreneurs.

Proceeding from the issue of training entrepreneurs, Song Jian turned to the issue of giving more elbow room to scientists and technicians. He said there are many intellectuals, retired scientists and technicians included, whose talents have not been fully tapped. This is a great loss. We should mobilize scientists and technicians, create still better conditions and social environments for them, get them engaged in economic construction, and enable them to display their skills at enterprises, particularly at high-level enterprise groups.

Song Jian spoke on the necessity of steadfastly implementing the policy of making science and technology serve economic construction. Reform of the scientific and technological structure should be deepened, but one should avoid changing all of it. For instance, in the case of a research project, if group action has the promise of yielding good results, then research groups should be formed to tackle this research project. If separate

research will do the job better, then let there be separate research. Research units should, according to circumstances, explore opportunities and create conditions. To sum up, more elbow room is needed for scientists and technicians to liberate productive forces for science and technology.

Chen Junsheng: Antipoverty Policy Not To Change

OW2503212092 Beijing XINHUA Domestic Service
in Chinese 1428 GMT 25 Mar 92

[By reporter Zhuo Peirong (0587 1014 2837)]

[Text] Beijing, 25 Mar (XINHUA)—While hearing the opinions of National People's Congress deputies from Guizhou today, State Councillor Chen Junsheng reiterated that the state would maintain its policy on assisting in the economic and social development of impoverished areas. Chen Junsheng said: The policies made during the "Seventh Five-Year Plan" will remain unchanged during the "Eighth Five-Year Plan" and for some time afterward. These include special discount loans, financial subsidies, and financial assistance to undeveloped areas. Moreover, the state will formulate policy on helping poverty-ridden areas with tax revenues from developed areas.

Chen Junsheng stressed: In carrying out poverty elimination programs during the "Eighth Five-Year Plan," we should switch from outright relief to production-oriented assistance. In keeping with this change, we will shift the focus of our poverty elimination programs toward reliance on scientific and technological progress and toward improvement of worker quality. Besides, we will modify our previous method of input to one that stresses results and one that can yield returns on a regular basis. We should spend money mainly on building infrastructure and on exploiting local superiorities so that the economies of impoverished areas will be raised to a new level during the "Eighth Five-Year Plan."

Li Tieying Views Education, Economic Construction

HK2503152892 Beijing XINHUA Domestic Service
in Chinese 1636 GMT 24 Mar 92

[By DAZHONG RIBAO reporter Wang Zhaoxing (3769 0340 5281) and XINHUA reporter Liu Haimin (0491 3189 3046)]

[Text] Beijing, 24 Mar (XINHUA)—At a group discussion meeting of the Shandong delegation to examine and discuss Premier Li Peng's "government work report" this morning, Li Tieying, CPC Central Committee Political Bureau member, state councillor, and State Education Commission minister, said: Reform of the education structure and the development of the education cause must be subordinate to and serve economic construction—the center.

Li Tieying said: Since the Third Plenary Session of the 11th CPC Central Committee, the education cause has

experienced very great development and this has benefited from reform and opening up. Viewed from the development of education, education must serve economic development. Once education is divorced from economic development, it will be restricted, and backward education will in turn restrict economic development. In recent years, we have carried on some exploration and put forth the principles that education must serve economic construction and must be integrated with production and labor, that moral and intellectual education and physical culture must develop in a comprehensive way, and that builders of socialism and successors to the socialist cause must be trained. The system of running schools of different grades and carrying out management at different grades has been implemented so education can better serve economic construction and do everything for the well-being and happiness of the people.

Li Tieying pointed out: We have adopted the method of raising education funds through many channels and changed the mechanism of the state's responsibility for education investment. China is a developing country but has conducted education on the largest scale in the world. To develop our education, we must have more support from the entire society. The method of raising education funds through many channels conforms to the actual situation of China.

In dealing with reform of the education structure, Li Tieying said: Our vocational education has developed very quickly in the past few years. The proportion of students in vocational schools at all levels to students in secondary schools has increased by a big margin, and a large number of modern laborers with labor skills have been trained. Vocational education must be vigorously developed and we must take a road that conforms to the national conditions of China so education can be geared to the needs of economic construction.

Li Tieying also dwelt on reform of the examination system as well as the situation in avoiding undue emphasis on the proportion of students entering schools of a higher grade and in the pilot project of reform of the internal management structure of the institutions of higher learning.

Wan Li: Party 'Not Qualified' If Economy Fails

OW2503211692 Beijing XINHUA Domestic Service
in Chinese 1347 GMT 25 Mar 92

[Article by XINHUA reporter Zheng Qingdong (6774 1987 2639): "Rebuild the Homeland and Strive for A Comfortable Life—On Chairman Wan Li's Discussion of State Affairs With Anhui Deputies"]

[Text] Beijing, 25 Mar (XINHUA)—This morning Wan Li, chairman of the Standing Committee of the National People's Congress [NPC], deliberated the government work report with NPC deputies from Anhui. The deputies spoke enthusiastically in a lively atmosphere that was frequently punctuated by bursts of applause and

laughter. Wan Li spearheaded reform in the countryside while he served as secretary of the Anhui provincial party committee. The people of Anhui know their former secretary very well.

Devastating floods in 1991 inflicted staggering losses on the people of Anhui. Reconstruction of the disaster areas was always on Wan Li's mind. Meng Fulin, deputy secretary of the Anhui provincial party committee, told him: We successfully fought against the floods and launched relief operations, thanks to the correct leadership of the party Central Committee and the State Council, the hearty support of people throughout the country, and the joint efforts of people across the province. We realized "four no's"—no people died of starvation, no people died of cold, and there were no outbreaks of epidemic diseases or massive flights of disaster victims. We took good care of the disaster victims, thereby promoting social stability throughout the province and bringing peace of mind to the people.

After hearing this, Wan Li said with delight: "It is amazing that you managed to achieve 'four no's' in the face of heavy flooding. We would not have scored such tremendous success in our flood control and relief operations had we not received correct leadership from the party Central Committee and the State Council, and gained full support from people throughout the country as well as from friends at home and abroad. We would not have scored such great success had party organizations at all levels in the disaster areas not led the people to wage an arduous struggle, and had the broad masses not derived tangible benefits from reform and openness." He told the deputies: Full recovery from a heavy disaster like this is impossible in a couple of years. Future tasks are very heavy and strenuous. The Anhui provincial party committee and the provincial government should promptly take effective measures to resume production and rebuild homes in the disaster areas in a more down-to-earth manner.

After discussing the issue of floods, Wan Li went on to address the need to harness the Huai He. He said: "We should resolve to genuinely bring the Huai He under control. We cannot instill a true sense of security in our people if we do not solve the problem of flooding in the Huai He. Moreover, our failure to solve the problem will have a serious effect on economic development and will delay economic prosperity and social development. We must take this matter seriously."

Deputies Yang Jike, Zhang Youdao, Wu Dongzhi, Zhu Xianlai, Zhang Jiashun, Xu Xueshou, Wei Jie, Yue Shucang, Zhang Jiarui, Lu Yongan, and Yang Haibo also spoke in turn. They gave an account of Anhui's economic construction, social development, rural reform, and educational, scientific, and technological programs. They also offered some opinions and suggestions.

Wan Li said: Education is an important strategic issue involving social development and progress. Anhui cannot achieve economic prosperity, or make a big leap

forward in economic development, if it cannot improve its people qualitatively through education. Anhui should move resolutely to develop education as an important means of rejuvenating the economy.

State Councillor Li Tieying, who attended the deliberation to hear opinions, said: The State Education Commission will send a fact-finding group to Anhui to conduct investigations and studies, and to help Anhui solve its educational problems.

Wan Li said soulfully: "A ruling party that cannot develop the economy and improve the people's living standards is not qualified." He said: Comrade Deng Xiaoping's numerous expositions on reform, openness, and socialism with Chinese characteristics are very good, very timely, and very insightful. The key now lies in implementation. We should emancipate our minds and break through the ideological shackles imposed by small-scale peasant economic activities and by the long-implemented planned economic system. We should also develop production single-mindedly, carry out reform in a down-to-earth manner, and achieve a comfortable living standard for people throughout the country—including the people in Anhui's disaster areas—at an early date.

State Council's Lu Ping Discusses Hong Kong

HK2503152992 Hong Kong WEN WEI PO in Chinese
25 Mar 92 p 2

[Dispatch from Beijing by reporting group: "Lu Ping States That China and Britain Should Negotiate, Exchange Views on Forming First Government of Hong Kong Special Administrative Region"]

[Text] Beijing 24 Mar (WEN WEI PO)—Officials in charge of Hong Kong and Macao affairs including Lu Ping, State Council Hong Kong and Macao Affairs Office director, have separately attended National People's Congress [NPC] and Chinese People's Political Consultative Conference [CPPCC] panel discussions to hear opinions. Lu Ping clarified some rumors which deputies said were circulating in Hong Kong.

Having heard several CPPCC members' speeches, Lu Ping said: The smooth handover of Hong Kong relies on the cooperation of both Chinese and British sides and the common efforts of Hong Kong compatriots. In his "government work report," Premier Li Peng mentioned that Hong Kong and Macao should make sound preparations for the transition period, which should be dovetailed to the Basic Law, and a steady transition is required. The words are few but rich in essence, whereas the work involved is extensive, including political, economic, legal, cultural and educational aspects. Take the government system, for example; it includes such issues as how preparations should be made for the first SAR [special administrative region] government, and how its first Legislative Council should come into being. All this calls for the Chinese and British sides to negotiate and cooperate to accomplish smooth handover. The Hong

Kong and Macao Affairs Office and XINHUA Hong Kong Service will engage in all this work, but we must rely on everyone, especially those who are sent here.

When officials from the Hong Kong and Macao Affairs Office attended panel meetings of NPC deputies from Hong Kong and Macao to hear their opinions, some NPC deputies stated that rumor from Hong Kong had it that deputies going to Beijing might play mahjong in Zhongnanhai and would purposely allow "their opponents some advantages" in the game. Lu Ping said that this is sheer fabrication. Chen Ziyang and Wang Qiren, Hong Kong and Macao Affairs Office deputy directors; First Department Director Chen Zuoren; Second Department Director Wang Fengchao; and Third Department Director Mo Ruqiong, as well as deputy department directors Chen Guangming and Deng Qiang, also attended the panel meetings to hear opinions.

Liu Huaqing Views Report With PLA Delegation

OW2503143492 Beijing XINHUA in English
1420 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—A senior Chinese military leader today said the Army needs to be further equipped with Deng Xiaoping's theory on building socialism with Chinese characteristics so as to act as a firm safeguard of the party's basic line.

Liu Huaqing, vice-chairman of the Central Military Commission, made this statement in a panel discussion on the government work report as a deputy to the National People's Congress, which is in session.

He called Deng's theory an ideological basis for unified understanding, stronger unity and combat effectiveness, saying "We will earnestly study the theory, accurately and fully grasp its spirit."

Liu cited the Army's present tasks as:

- Unswervingly support and safeguard the country's reform and opening, play a bigger role and make more contributions in socialist construction; and
- Seize the present opportunity to accelerate the Army building.

Summing up experiences in building the Army in the past decade or so, Liu said: "We have found the path of building a modernized, regularized and revolutionary Army with Chinese characteristics," in conformity with the realities of the country and Army. "We will march ahead along the road firmly," he said.

Unity of the military and civilians, of the Army and government, of the officers and men and of people of all the nationalities is all the more important at a time of accelerating reform and opening up, he said.

Therefore, he called for concerted efforts to win greater victories under the leadership of the Chinese Communist Party Central Committee.

Views Army-Party Tasks

OW2603042792 Beijing XINHUA Domestic Service
in Chinese 1429 GMT 25 Mar 92

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 25 Mar (XINHUA)—Liu Huaqing, vice chairman of the Central Military Commission and deputy to the National People's Congress, participated today in a panel discussion held by the delegation of the People's Liberation Army to examine the government work report. He said: The broad masses of cadres and fighters should be further equipped with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and heighten their consciousness of implementing the party's basic line, in order to act as a firm safeguard of the party's basic line.

Liu Huaqing said: The great practice of reform and opening up to the outside world over the past 13 years has fully proven that Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is a great banner to guide us toward achieving victories in socialist construction in the new historical period. It is our ideological basis for unifying our understanding, strengthening our unity, and rallying our combat capability in the complicated struggle. Our country and nation will have hope and our socialist cause will be assured of achieving constant success only if we practice boldly following the direction pointed out by Comrade Deng Xiaoping. We must conscientiously study this theory and fully and accurately understand its essence. We must firmly implement the party's basic line of "one central task and two basic points" unwaveringly for a century.

Liu Huaqing said: The Army should firmly and unshakably support and safeguard reform and opening up to the outside world as well as play a bigger role and contribute more to the critical period of socialist construction. Our Army has always been an armed group that implements the party's political line, and the party and people place great hopes on the Army. The Army must absolutely obey the party's leadership at all times; protect the socialist system; earnestly fulfill its duty; defend national territory, sovereignty, and maritime rights; safeguard the unity of the motherland and social stability; create a safe and stable environment for economic construction, reform, and opening up; and guarantee the country's lasting peace and stability. Liu Huaqing expressed the hope that comrades in the Army would understand the general situation, take the interests of the whole into account, show understanding and sympathy for the country's difficulties, correctly handle relations between national defense building and economic construction, and more consciously submit to and serve the main task of economic construction. It is essential to continually implement the policy of building the Army through diligence and thrift and do more things with less money. The Army should actively take part in supporting the

country's economic construction on the basis of fulfilling the tasks of preparation against war and training.

Touching on the issue of seizing the present opportunity to accelerate the improvement of the Army's quality, Liu Huaqing emphatically pointed out: Comrade Deng Xiaoping has not only designed a correct line for our country's economic construction and reform and opening up to the outside world but also clearly pointed out the way forward for the modernization of our Army. For more than a decade, we have followed Comrade Xiaoping's theory and a series of principles and policies for Army building in the new period; carried out a strategic change in the guiding ideology for Army building; effectively carried out a series of important reform measures, including better troops and simpler administration and reorganization; and made great achievements in Army building. To sum up, our efforts throughout these years have enabled us to find the path of building a modernized, regularized, and revolutionary Army with Chinese characteristics. The practice of Army building has proven that the path is in conformity with the realities of the country and Army. It reflects the objective law for Army building during peace time, and we must firmly march along this path. The main tasks facing us today and in the future are to further improve the quality of our Army, actively and properly carry out adjustment and reform, and follow the road of improving our Army with Chinese characteristics. The improvement of quality means we should raise the overall combat effectiveness of the Army in accordance with the demand for being politically qualified and militarily capable, having a good work style, strictly abiding by rules of discipline, being backed by reliable logistic support, and raising the fighting capability of military units in a comprehensive way.

In conclusion, Liu Huaqing emphatically said: Strengthening unity is all the more necessary at a time of accelerating reform and opening up and speeding up economic development. We should strengthen unity between officers and soldiers, between the Army and the people, and between the Army and the government. We should strengthen unity of people of all nationalities of our country, immerse ourselves in hard work to make the country prosperous with one mind, and strive to win still greater victory under the leadership of the party Central Committee with Comrade Jiang Zemin at the core.

Ismail Amat Speaks at Fete for Minority Delegates

OW2503221192 Beijing XINHUA Domestic Service
in Chinese 1444 GMT 25 Mar 92

[Text] Beijing, 25 Mar (XINHUA)—The CPC Central Committee's United Front Work Department, the Nationalities Committee of the National People's Congress [NPC], the State Nationalities Affairs Commission, and the Nationalities Committee of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] held a tea party this evening to entertain minority delegates to the Fifth Session of the

Seventh NPC and the Fifth Session of the Seventh CPPCC National Committee.

More than 1,600 minority delegates conversed joyously with leading comrades Ding Guangen, Peng Chong, Liao Hansheng, Wang Hanbin, Yang Jingren, Pagbalha Geleg Namgyai and Wang Enmao. They spoke of ways to rejuvenate and develop minority areas. Ngapoi Ngawang Jigme, vice chairman of the NPC Standing Committee, presided over the tea party. Ismail Amat, vice chairman of the CPPCC National Committee and minister in charge of the State Nationalities Affairs Commission, spoke at the party. He said: Looking over rivers and mountains that stretch thousands of li, we can see that our motherland is advancing victoriously along the road of socialism with Chinese characteristics, and that the sprawling minority areas in our country are striding toward the country's cause of modernization. Signs of vitality are in evidence everywhere. Facts have once again incontrovertibly proven that socialism is a golden road for the common prosperity of all nationalities, and that reform and openness is the only way for all nationalities to develop and progress.

Ismail Amat went on: The party Central Committee recently called for deepening reform and opening wider to the outside world. An important task at the current NPC and CPPCC sessions is the discussion of our country's grand plan for furthering reform and openness. Reflecting the common aspirations of people of all nationalities, and heartily supported by the latter, the plan has opened up bright prospects for economic and social development in minority areas and for the development and progress of all nationalities. Ismail Amat said emphatically: We must further emancipate our minds, work boldly, seize upon opportunities, assess the prevailing situation, and implement the basic line of "one central task and two basic points" more conscientiously and steadfastly in light of the realities in minority areas. We must also display a keen sense of urgency and a lofty sense of mission, and push forward the cause of reform and openness in minority areas as a way of spurring more rapid development in those areas and of promoting the great rejuvenation of the Chinese nation. Furthermore, we should unequivocally defend the unity of the motherland and the great solidarity of all nationalities, and work constantly to consolidate and develop socialist ethnic relations while pursuing the cause of reform, openness, and modernization.

Artists of all nationalities from the Central Nationalities Song and Dance Ensemble, the Central Institute of Nationalities, and the song and dance ensemble of the People's Liberation Army's General Political Department staged brilliant minority songs and dances for the delegates.

News Briefings Held as NPC Session Continues

Anhui Officials on Flood Aid

OW2403102792 Beijing XINHUA in English
0937 GMT 24 Mar 92

[Text] Beijing, March 24 (XINHUA)—All the donations from home and abroad and allocations from the central

government have been used for flood victims to tide over the past winter and reconstruction of the flood-struck areas, officials from east China's Anhui Province said here today.

Four provincial officials told reporters that Anhui received a total of 440 million yuan in donations from home and abroad, which had been distributed to the flood victims in batches.

These officials, attending the ongoing session of the Seventh National People's Congress in Beijing, gave a news briefing at the news center this morning.

Vice-Governor Wu Changqi said that nearly 300 minor cases of graft have been discovered, each involving from a few yuan to no more than 1,000 yuan, and those concerned have been severely punished.

Answering the question if the disaster has been exaggerated, deputy secretary of the provincial party committee Meng Fuling said that his province had been hit by floods, drought and snowstorms from June until the end of last year.

"The disaster was really severe," he said, adding that the total economic loss added up to 27.53 billion yuan, equalling the province's revenues in the past five years.

The central government allocated nearly 900 million yuan in emergency aid in addition to the 440 million donations.

"Without the aid of the government and people from all over China, Hong Kong, Macao, Taiwan and the international community, Anhui could not be able to tide over the disaster," the deputy secretary stressed.

Asked about how to avoid graft, Vice-Governor Wu Changqi said the provincial government made it a rule that each time donations were distributed, the total amount, distribution principles and the list of receivers must be publicized.

Responding to a question about foreign reporters going to Anhui, Wu said that owing to the lack of communications, people and receiving capacity during the flood season, few foreign reporters had been allowed to go there.

Now that the flood-hit areas have almost returned to normal, local people welcome more foreign reporters to go there.

During the 90-minute news briefing, which was attended by nearly 100 Chinese and foreign reporters, the provincial officials also answered questions on bringing vitality to large and medium-sized enterprises, reforms and opening to the outside, cooperation with Shanghai and educational undertakings in the province.

Hubei Governor on 3 Gorges, Flood Aid

OW2403191792 Beijing XINHUA in English
1355 GMT 24 Mar 92

[Text] Beijing, March 24 (XINHUA)—Central China's Hubei Province has spent 1.8 billion yuan (about 300 million U.S. dollars) to establish 10 development zones along the Yangtze River, paving way for further reform and opening.

Governor Guo Shuyan said so today at a news briefing organized by press center of the ongoing annual session of the National People's Congress [NPC].

According to the governor, 207 firms including 82 Sino-overseas joint ventures, have been set up in the 10 economic and technological development zones with a total area of 82 sq km [square kilometers].

This year, the province has sold out land-use right of 500 hectares of state-owned land to overseas entrepreneurs, he said.

The development of Shanghai's New Pudong Area and the proposed Three Gorges Project have brought opportunities of development to the province that is located at the lower-middle reaches of the Yangtze River, Guo noted.

In this case, the governor said, the province has planned to speed up its economic progress by making its capital Wuhan as the leading economic force, so as to push forward the development of the Yangtze River basin as a whole. Wuhan is China's fifth biggest city.

At present, the province is concentrating all forces on building the Donghu new and high-technology industry development zone, which was approved by the State Council, along with the founding of several development zones specialized in auto-making industry.

As the port of Wuhan has been opened to foreign-registered vessels, the province now is preparing to open its airport as well, Guo noted.

On the question of the Three Gorges Project, Guo said that since the project is to be built partly in the province, Hubei people have a sense of urgency.

In the past, local people suffered enormously from floods, and they eagerly expect the proposal to construct the dam project will be approved by the ongoing NPC session so as to start the building as early as possible, Guo added.

Recently, Hubei has stepped up its planning and experiments in resettlement while enforcing construction of highways, telecommunications and commercial networks that will serve the future implementation of the Three Gorges Project, Guo said.

Talking on raising funds for the project, Guo said that there are nine ways, one of them is to lift the price of

electricity generated by the Gezhouba Hydraulic Power Station, which is located in the province.

He said that many overseas banking institutions have shown deep interest in the project. "Some of them passed word to me that they could bring in over one billion U.S. dollars of loans to the project, if the project is set to be built," the governor disclosed.

Last year, Hubei was also among the provinces that were attacked by heavy floods.

Replying a question whether graft has been found during the relief work, the governor said only one village head was discovered to have chosen a better garment among the donations from the outside.

Some overseas media carried reports that the province has diverted one million U.S. dollars of relief fund for other construction purposes. The governor dismissed this as "not to comply with the facts".

Liu Zhongyi on Summer Grain Output

OW2503093892 Beijing XINHUA in English
0916 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—A high-ranking Chinese official said here today that the prolonged dry spell in north China since last autumn and winter will produce certain adverse effects on winter crops, especially summer grain, but the summer grain output will not drop considerably compared with last year.

Minister of Agriculture Liu Zhongyi predicted that due to the drought, wheat output this year might be lower than last year's.

Liu made these predictions at a news briefing sponsored by the on-going Fifth Session of the Seventh National People's Congress.

"We are paying close attention to the last-minute management on wheat crops in a bid to make the wheat output equal to last year's.

Shanghai's Wu Bangguo Predicts Fast Development

OW2503141592 Beijing XINHUA in English
1401 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—Wu Bangguo, secretary of the Shanghai municipal party committee, said here today that there will be no problem for Shanghai to obtain faster economic development.

In an interview with XINHUA, Wu, also a deputy to the ongoing Fifth Session of the Seventh National People's Congress (NPC), cited the city's favorable conditions for his prediction.

First, he said, the Chinese Communist Party Central Committee and the State Council have all made it clear that reform will be deepened.

Second, Shanghai has advantages in geography, economy and science and technology.

Third, Shanghai people are enthusiastic about pushing forward with reform and economic development.

Wu said that Shanghai aims to become one of the most economically flourishing areas in China as well as in the eastern Pacific region by the end of this century.

He gave the specific objectives as follows:

- Shanghai's 1980 gross domestic product will be quadrupled at the end of this century. Statistics show that last year Shanghai's gross domestic product amounted to 82.5 billion yuan.

- By 1995, the ten infrastructural projects with a total cost of 14 billion yuan will be completed in the Pudong Development Area together with the three major districts of Lujiazui, Jinqiao and Waigaoqiao.

- The city's industrial structure will be readjusted so that its output value from the service industry will be raised to account for 45 percent of its gross domestic product from the present 31.2 percent. Thus a sound foundation will be laid for Shanghai to become the country's economic, financial and foreign trade center. Meanwhile, a number of high- and new-technology oriented enterprises will be set up.

- People's living standards will be raised notably. By the end of this century, 50 million sq m of housing will be added and the subway and round-the-city highway be built.

To meet these goals, Wu said, Shanghai must earnestly adhere to the principles and policies drawn up by the party Central Committee, and conscientiously learn from other provinces and municipalities.

In addition, he said, to develop the Pudong area, Shanghai will make joint efforts with other provinces and cities and with foreign investors.

Apart from speeding up infrastructure, Shanghai will coordinate administration and simplify project approval procedures for Pudong's development.

The Shanghai leader disclosed that the city plans to set up a management committee to coordinate administration of the two districts and three counties under the jurisdiction of the Pudong area.

While carrying out coordinated reforms, Shanghai will make every effort possible to revitalize large and medium-sized enterprises and launch high- and new-technology oriented projects, he added.

Leaders of Provinces Along Yangtze View Opening

OW2503024292 Beijing XINHUA in English
0211 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—China is accelerating opening-up along the Yangtze river by taking advantage of the development of Shanghai New Pudong Area.

The objective is to turn the vast expanses along the 6,300-km Yangtze river into a flourishing economic corridor so as to promote the economic development of the whole country.

As China's longest river, the Yangtze flows through ten provinces and municipalities of Qinghai, Tibet, Sichuan, Yunnan, Hubei, Hunan, Jiangxi, Anhui, Jiangsu and Shanghai, and the Yangtze river valley covers 1.8 million square kilometers.

Economists held that the coastal regions in east China and the Yangtze river running from West to East combine to form a "T" shape, and the opening-up of the Yangtze valley together with wider opening of the coastal regions is significant to the development of China's national economy as a whole.

It is learned that China has preliminarily set six development centers in the Yangtze valley, namely, Shanghai, Nanjing and the area in the lower reaches; the area centered around Wuhan in the middle reaches; the area between Chongqing and Yichang; the hydraulic power and minerals development area along the Wujiang river; the Panxi-Liupanshui area; the area bordering Hunan, Jiangxi and Guangdong Provinces.

In their interviews with XINHUA, leaders of the provinces along the Yangtze who are attending the current session of the Seventh National People's Congress in Beijing described their development plans to tap the golden waterway—the Yangtze.

Jiangsu Province, noted for its most developed economy in the Yangtze valley, is formulating a strategy centering on the development of an economic belt along the Yangtze in the province so as to turn the area to be a new economic base of the province.

Liu Gangfu from Yueyang city in Hunan Province said that as the "gate to northern Hunan", Yueyang city will be the transition area between the Pudong development area and inland Hunan Province and will have a pivotal role to play in the development of the whole province.

Wuhan city in the middle reaches and along the Beijing-Guangzhou railway will take advantage of its favorable geographical position and tap its potential as an old industrial base to accelerate opening to the outside world.

Being capital of Hubei Province, the city is speeding up the construction of deep-water berths on the Yangtze with the opening of the Wuhan port to foreign shipping business.

In Wuhan's East Lake New and High-Technology Development Zone, 20-odd foreign-funded enterprises and about 100 cross-trade domestic business have been established.

Sichuan Province in the upper reaches of the Yangtze plans to build two state-level new and high-technology development zones respectively in Chengdu and Chongqing.

The province is also to set up a development park funded by Taiwan businessmen in Chongqing and open up the natural resources in the Panxi-Yibin area.

Anhui Province in east China recently decided to open four cities and three prefectures along the Yangtze including Wuhu, Ma'anshan, Tongling and Anqing as well as Caohu, Chizhou and Xuancheng.

The port of Ma'anshan can serve to support the development of the New Pudong Area in Shanghai and promote Anhui's opening.

Jiangxi's provincial people's congress last year approved the opening of Jiujiang port on the Yangtze river to foreign liners, which can act as a gate to the entire province.

Observer here point out that the provinces and cities along the Yangtze have their own advantages but the development and opening of the New Pudong Area in Shanghai injects new vigor to the speedier development of the golden waterway in the 1990s.

Zhu Senlin Views Guangdong's Economic Development

HK2603025392 Beijing ZHONGGUO XINWEN SHE
in Chinese 1210 GMT 24 Mar 92

[By Shao Ping (6730 1627)]

[Text] Beijing, 24 Mar (ZHONGGUO XINWEN SHE)—At a Guangdong delegation meeting this morning, Zhu Senlin, National People's Congress [NPC] deputy and Guangdong governor, said Guangdong has not engaged in debate over "capitalist or socialist" surnames, nor will it do so in the future, and all our work should be subject to and serve economic construction, the center.

That was the first of five successful experiences of Guangdong's rapid economic development Governor Zhu mentioned today.

Second, Guangdong has selected nurturing the socialist market system as its basic orientation in economic restructuring, with streamlining government and decentralization as the means. Consequently, the province has been relatively fast in getting rid of the difficulty marked by a weak market and a production downturn in the past few years.

Third, the successes Guangdong has scored in reform and opening up over the past 10 years or so were the results of giving play to the enthusiasm of the whole

province from top to grass roots. The central authorities have relegated power to the Guangdong authorities, while the latter have also relegated power to governments at lower levels; as a result, the broad masses have shown a genuine care for and plunged into reform, opening up and economic construction.

Fourth, the province has relied fully on science and technology, while actively improving the quality of workers. The fact that "Guangdong products" have occupied a certain portion of the market in recent years is chiefly due to importing advanced equipment and technology, with technological transformation conducted in varying degrees in over 70 percent of enterprises.

Fifth, while upholding taking economic construction as the key, Guangdong has adhered to grasping with two hands. Guangdong is located on the forefront of reform and opening, with rather grave infiltration of hostile and organized criminal forces as well as decadent ideas of the exploiting classes beyond the borders, and some ugly social phenomena are on the rise again. Under the condition of China's gate opening wide to the world, we can neither imagine those decadent and ugly things can be eliminated overnight nor shut the gate "to carry out a thorough cleaning." It is imperative to exert long-term arduous efforts. Guangdong has all along persisted in the principle of "importing some while rejecting some," and provided favorable conditions for the development of economic construction.

In his speech, Zhu Senlin expressed the hope that the central authorities would streamline government and relegate power to localities so that the province may have greater initiative in handling affairs in foreign economic relations and trade.

On Expanding Reform, Opening

HK2603132392 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 25 Mar 92

[Text] Guangdong Governor Zhu Senlin, a national people's deputy, said yesterday morning at a discussion meeting of the Guangdong delegation to the National People's Congress [NPC], that among the cadres and masses in the whole province, it is necessary to further advocate emancipation of minds, and develop the spirit of seeking truth from facts, of continuing to fight despite all setbacks, and of courageous exploration to realize an expanded pace of reform and opening up.

Zhu Senlin said: It is very likely that, through hard efforts, Guangdong's future economic development will climb to a new stage every several years. Faced with the task of climbing to the new stage, we feel we have a great responsibility, and we must be more open-minded, be more courageous, and walk at a faster pace, grasping the opportune time to advance toward a higher level.

When talking about how we can expedite the reform and opening up, Zhu Senlin said: This process will inevitably

meet with many obstacles and risks; since reform and opening up, Guangdong's economic construction has never been involved in the controversy of whether it is capitalism or socialism in nature, and we will not engage in such kind of controversy in the future. As long as it is beneficial to the development of productive forces in our socialist society, and to enhancing the comprehensive national strength of our socialist country, as well as to upgrading the people's standard of living, we should courageously do it.

Deputies Stress Economic Construction

OW2503193792 Beijing XINHUA Domestic Service in Chinese 1049 GMT 24 Mar 92

[Text] Beijing, 24 March (XINHUA)—Various deputies' groups attending the Fifth Session of the Seventh National People's Congress today continued to hold panel discussions on Premier Li Peng's Government Work Report, as well as the reports of Zou Jiahua and Wang Bingqian. A key topic of discussion among the deputies was the need to gain a clear understanding of the current situation at home and abroad, to seize historic opportunities, to remove various types of interference, to firmly carry out the central task of economic construction, and to concentrate on developing the national economy.

At more than 100 venues—from the Great Hall of the People to the deputies' lodgings—the deputies expressed their views from differing perspectives. They said: Whether we can speed up economic prosperity and social progress during the 1990's has a direct impact on the success or failure of socialism in our country. It also has a bearing on China's destiny. We must foster a clear understanding of this, and must enhance the entire country's sense of urgency and historic mission. Deputy Wang Hongmin, mayor of Wuxi in Jiangsu, said: The overall situation of the world's economic development means that China will not be able to catch up with developed countries, or may even lag further behind, if it fails to speed up its development. Hence, we must seek a nonconventional model for development and economic prosperity through careful policy making. Shanxi Deputy Wang Tingdong said: We must redouble our efforts to develop the economy; otherwise, we cannot give rein to the merits of the socialist system. People's Liberation Army Deputies Wang Xugong, Zhang Zhenxian, Bai Wenzhong, and Cai Gongjie said: We encountered considerable difficulties and setbacks in recent years. We managed to withstand the test of the acute domestic and international situation mainly because we carried out economic construction resolutely. We can achieve political stability and social progress in our country as well as gain a firm footing in the world only if we develop the economy, improve the people's living standards, and enhance our overall national strength.

The Government Work Report states that it is necessary—and possible—to initiate several phases characterized by fairly rapid growth rates and substantial returns

during the protracted process of our country's modernization drive. The deputies agreed with this assessment. Deputy Zhao Zhihao, governor of Shandong Province, said: In economic construction, we should try our best to pursue growth rates that can yield tangible returns. It would be wrong to seek growth rates without restraint if the conditions were not ripe for development. Likewise, it would be wrong to miss out on opportunities through our failure to promptly speed up development when the conditions and environment were fairly good. The current situation is quite favorable to us. We have achieved a material and technological foundation as a result of reform and openness over the past decade or so. Our economic climate is quite relaxed in the wake of the economic rectification drive. We have gained both positive and negative experiences over the years. The global economy is undergoing restructuring, and a new structure has yet to emerge. This situation has afforded us a rare opportunity for speeding up economic development. Guangxi Deputies Ping Lei and Luo Lijia observed: Our intended growth rates are realistic, efficiency-oriented, and attainable with hard work. It would be unrealistic if we failed to pursue effective growth rates that were within our reach. Guangdong Deputy Mei Rixin said: Given its proximity to Hong Kong and Macao, and the linkage of the Shenzhen and Zhuhai Special Economic Zones with the Zhujiang Delta, Guangdong Province is confident of catching up with Asia's "four dragons" after a period of hard work. Deputy Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, said: The Government Work Report once again defines the development of Pudong as the focus of our country's economic development strategy during the 1990's. It also calls for promoting economic development in the Changjiang Delta, and even in the entire Changjiang Valley, through the development of Pudong. We find this suggestion encouraging. At the same time, we deeply feel that we are tasked with heavy responsibilities. He said: Shanghai has the potential and capacity for development. We must redouble our efforts, and assume the historic mission entrusted to Shanghai by China's economic development needs during the 1990's.

Panel Discussions Focus on Bolder Reform

OW2503074592 Beijing XINHUA in English
0726 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—"Emancipate the minds, be bolder in pushing forward reforms" is the keynote at the panel discussions on Premier Li Peng's government work report to the current Fifth Session of the Seventh National People's Congress (NPC).

Many NPC deputies and members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) hold that the time for forging ahead with reform and opening to the outside world has come and the key to seizing the golden opportunity lies in how to further emancipate the people's minds.

Qian Xuesen, vice-chairman of the CPPCC National Committee, who once studied in the United States and knows everything about the shareholding system, said that there should be no worry about the shareholding system leading to capitalism in socialist China so long as the people's government controls and regulates the economic development in the interests of the whole people.

The shareholding system is no more than a means for developing the economy and it can be used so long as it facilitates socialist construction. It is not necessary to define whether it is socialist or capitalist, the prominent scientist said.

If the 1,000 billion yuan in bank savings and in the hands of the people are mobilized by the shareholding system, he noted, it is really something remarkable.

Shanghai municipal party Secretary Wu Bangguo said that Shanghai should keep its door wide open to other parts of the country and to the rest of the world.

Ye Gongqi, also from Shanghai, said that Shanghai has been pushed onto the crest of the waves of reform and opening to the outside world and its performance will have a great bearing on the development of the entire Yangtze River catchment area and even the whole country.

He suggested that bold experiments in such areas as management system, modes of enterprise operation, foreign trade, new financial system, new housing system and new social security system be tried out in the Pudong New Area.

Zhao Zhihao from Shandong Province, which considers itself lagging behind other coastal areas, felt particular urgency of reform and opening.

The intensity and depth of reform and opening depends how far the people's minds are liberated, he noted.

He said that all the misgivings about advanced foreign management expertise and technology should be set aside and foreign experiences should be used to serve socialist construction so long as they are useful.

To do away with the "iron rice bowl" requires courage, resolute determination and the change of ideas, Zhao said. Without changing the systems of personnel, employment and income distribution, it would be impossible to change the mode of enterprise operations and push enterprises onto the arena of competition on the market, he added.

He Zhukang from northeast China's Jilin Province said that planning and market are merely two forms and means for allocating resources and managing the economy and not the hallmarks of socialism and capitalism. Planning is not the monopoly of socialism, nor is market the monopoly of capitalism.

He refuted the notion that faster reform and opening would cause instability, saying that stability is indeed

very important in ensuring the smooth going of reforms and opening and stability can be maintained only by developing the economy. It is hard to maintain stability if the economy is undeveloped, the national strength is kept at a standstill and the people's living standards do not rise.

He said that Jilin Province will institute the system whereby the enterprises will not be dependent of the government and the government will not poke its nose into the management affairs of enterprises, and cadres can be both promoted and demoted, workers can be both hired and fired and wages will be paid according to skills and performance. In addition, the province will develop comprehensive markets, specialized markets and futures markets, he said.

Chen Huanyou from Jiangsu Province said that his province will devote great efforts to expanding the market role and encouraging state enterprises to operate as the more flexible township enterprises and foreign-funded enterprises do. The province will give a free reign to commercial enterprises with regard to management, pricing, employment and income distribution and try to institute the brokerage and agency system. With regard to finance, the province will issue more bonds and establish stock companies in Suzhou, Wuxi and Changzhou and local banks.

Most NPC deputies and CPPCC members are of the opinion that now is the right moment to step up reform and opening-up. Just as Sichuan Deputy Fei Ziwen said, opportunities are challenging in nature and the slightest hesitation before the fleeting opportunities would cost dearly. "We must take up the challenge and seize the opportunity for development and take a bigger step forward in reform and opening," he urged.

But he warned that the opportunities for development may present itself in different forms in different regions and different industries, and the important thing is that all the regions and industries should proceed from reality and go ahead in line with their actual conditions.

Economists on Developing Speed, Efficiency

*OW2503165692 Beijing XINHUA in English
1348 GMT 25 Mar 92*

[Text] Beijing, March 25 (XINHUA)—Chinese economists urged the government to pay particular attention to economic results while trying to maintain a fairly fast economic growth.

During group discussions on Premier Li Peng's government work report to the Fifth Session of the Seventh National People's Congress today, some economists all agreed that it is necessary to maintain an appropriate speed in economic development and so long as the objective conditions permit, there should be no sitting to see the good opportunities lost.

However, the CPPCC members called particular attention to the problem of economic efficiency.

High speed and poor performance has long been a worrisome problem in China's economy, said Li Gang, deputy general manager of the state investment corporation for machine building, electronics, light and textile industries.

He noted that at present, 80 percent of the net increased output value in the country's industrial production is realized largely through increasing funds and labors and this is an extensive speed model of economic development.

He said that China should change this old speed model into an efficiency one and seek the objective of appropriately high speed on the basis of high efficiency.

Li Gang said that, to this end, the state has to have an efficient mechanism for controlling major economic activities, the enterprises must have a mechanism for seeking high efficiency and there should be a mechanism that encourages market competition on an equal footing.

To guard against "overheatedness" while trying to maintain a fairly fast economic growth, the economists agreed, the state should be able to oversee enterprises in their investment activities so as to ensure better economic returns of investment.

Professor Xiao Guojin of the Wuhan Economic Management Institute said that to improve economic performance, it is imperative to encourage enterprises to take the growth of sales and profits as their first objective.

Many participants in the discussion suggested shutting down of the inefficient and deeply indebted enterprises or making them shift to other products.

Factory Floor Deputies Support Bolder Reform

*OW2503082992 Beijing XINHUA in English
0756 GMT 25 Mar 92*

[Text] Beijing, March 25 (XINHUA)—People's deputies coming from factory floors have voiced their strong backing to bolder reform measures that will renew the vigor of enterprise.

At panel discussions on Premier Li Peng's government work report to the current Fifth Session of the Seventh National People's Congress (NPC) over the past few days, worker deputies pledged their determination to act as masters of the country and play the role as the main force in deepening reforms.

Kang Longtian, a coal miner who represents 800,000 coal miners of Shanxi Province, said he felt the heavy duty of the working class in carrying forward reforms and opening to the outside world.

He said that "our workers strongly support the changes in the mode of enterprise operations and in the system of personnel, wage and income distribution."

"We workers are frustrated to see the leading positions occupied by incompetent persons," he said. "If the leading cadres are subject to demotion and promotion, we have no objection to changing the wage and income distribution systems."

Wei Meifang, a deputy from a textile mill in Nanning City, capital of the Guangxi Zhuang Autonomous Region, said, "The institution of the system of paying the workers according to posts and skills demands the workers raise their cultural and technical levels."

Wu Liangju, a steel worker from Maanshan Iron and Steel Company in Anhui Province, which introduced the skill wage system after the optimum labor recombination was made in 1989, said that the number of workers in his shift was reduced from 20 to 11 and both wage income and housing of us workers have improved. The reform benefited the country, the enterprise and the workers alike.

Chen Rixin, general manager of the Pingsuo Coal Industry Company, a joint venture in Shanxi Province, said that the company owed its successes to reforms and called for bolder reforms in order to achieve bigger successes.

Chen said that his company has 5,600 employees, but only 140 office workers, a ratio rarely seen in the country, and payment is biased toward physically demanding jobs and high technology posts. As a result, work efficiency has been raised. The full-attendance labor productivity has reached 12.5 tons, for which the company has been listed third among 300 highly efficient enterprises in the country.

Planning Commission Urged To Lead Reforms

OW2603071092 Beijing XINHUA in English
0637 GMT 26 Mar 92

[Text] Beijing, March 26 (XINHUA)—People's deputies attending the ongoing annual session of the Seventh National People's Congress (NPC) urged the State Planning Commission to take the lead in changing its functions and organizational structure.

During panel discussions on Premier Li Peng's government work report, NPC deputies suggested the State Planning Commission change its name into "State Market Regulating and Planning Commission."

Yin Daosheng from Qinghai said that the current planning system was copied from the Soviet Union and a product of Stalinist economics which defined planning as socialist and market as capitalist. But as early as in 1952, Stalin put forward the theory of world capital market and the world socialist market, indicating that even he himself admitted that market is not capitalist.

If the planning mechanism does not change, it will sooner or later hinder the big development of the economy, Yin said.

He Haoju, NPC deputy from southwest China's Sichuan Province, urged the government to make real efforts to simplify its administration and extricate itself from the vicious cycle of "simplifying—bloating—simplifying again—bloating again".

He urged the central government to make determined efforts to produce convincing reform measures in this regard.

XINHUA Details Deputies' Motions

OW2503104892 Beijing XINHUA in English
XINHUA0900 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—A total of 179 motions and 445 suggestions have been submitted by deputies to the current session of the National People's Congress as the deadline (18:00 March 26) for tabling motions is drawing near.

Reliable sources said that one third of the motions are about legislature and almost all the suggestions are concerned with economic development and reform and opening.

Thirty-two deputies from east China's Anhui Province propose in a motion that an investment law concerning agriculture be formulated.

They suggest that the future law should stipulate the proportion of agricultural input in the overall expenditure, and the investment should be increased in step with the increase in revenues.

Another motion calls for the formulation of a law on mobilizing social forces to boost education.

According to the motion writers, China needs 50 million university graduates by the end of the century. But there are only 12 million of them. And 15 million more are expected to be trained in the next eight or nine years, leaving a gap of 23 million.

At the current rate of training, they argue, it will take 100 years for the country to produce so many university graduates. Therefore, social forces should be tapped to accelerate the training.

Some 60 motions concern the formulation of laws such as protection of intellectual properties, rural household contract system, management of non-public-owned economy, and protection of consumers' rights.

Other motions are about economic construction, NPC supervision of the government, and other issues of popular concern.

According to the NPC rules, motions by a NPC delegation or more than 30 deputies are valid, and they are within the range of functions and powers of the NPC. As for suggestions, every deputy is entitled to if he or she has the wish to do so.

According to the NPC secretariat, more motions are expected from the NPC deputies because the peak generally comes at the 11th hour. At the last session, for example, 250 out of the 471 motions were handed in the last day.

XINHUA Series on NPC Terminology Continues

Part Three

*OW2403015692 Beijing XINHUA in English
0135 GMT 24 Mar 92*

[Text] Beijing, March 24 (XINHUA)—(This is the third of a series on Chinese terminology in connection with the annual sessions of the Seventh National People's Congress and of the Seventh National Committee of the Chinese People's Political Consultative Conference. The first of the series was issued on March 22—editor.) [parts one and two of the NPC terminology series were published in the NPC Session section of the 23 March China DAILY REPORT, beginning on page 45]

8. Mandatory Plans

They refer to the state plans that have to be fulfilled. Such plans mainly cover production and sales of goods, the basic, leading and key investment activities that have a great bearing on the national economy and the livelihood of the people. In the sector of distribution of commodities, it is an important means for the state to rationally allocate resources and ensure major construction projects. But as China's highly centralized planning system is being gradually replaced by the new system that combines planning with market regulation, the scope covered by the mandatory plans has greatly been narrowed.

9. Guidance Plans

They are another form of China's planned economy but are more flexible than the mandatory plans. Such plans serve to provide guidance to enterprises in organizing production and sales activities on their own according to the state plans and the availability of raw materials and energy and market demand. The targets are not compulsory but enterprises are encouraged to make efforts to fulfill them. The introduction of such plans indicates that China is now paying more attention to the law of value and the role of the market and allows enterprises a greater leeway and bigger say in planning their production.

10. Dual Budget System

The Chinese Government decided to adopt the "dual budget system" in 1992. The dual budget system means that the state revenues and expenditures will be divided into a regular budget and a construction budget. Regular budget includes general revenues received by the state as the manager and the owner of assets, which will be used as regular government spendings on national security and stability, on education, science, culture, public

health and other social undertakings and as expenditures for improving the people's life.

Construction budget covers some revenues specified for use in construction and the direct expenditures on construction.

The order of drafting the dual budgets is that regular budget comes first and construction budget second. The former stresses a balance between revenues and expenditures, with surpluses used for economic construction; the latter stresses acting according to capability, with the deficit to be made up for by issuing treasury bonds and borrowing from banks.

The dual budget system may better present the balance of payments and the reasons and specific figures for deficits.

Part Four

*OW2403021192 Beijing XINHUA in English
0138 GMT 24 Mar 92*

[Text] Beijing, March 24 (XINHUA)—(This is the fourth of a series on Chinese terminology in connection with the ongoing annual sessions of the Seventh National People's Congress and of the Seventh National Committee of the Chinese People's Political Consultative Conference. The first of the series was issued on March 22—editor.)

11. New Foreign Trade System

The new foreign trade system was instituted in China in 1991, according to a decision made by the State Council in 1990. Under this new system, foreign trade enterprises no longer enjoy state subsidies and they have to operate independently, responsible for their own profits and losses as the common international practice requires.

This was a major move to reform China's foreign trade system, ending the "everyone else eat from the same big pot" practice.

The reform has changed the practice by which different regions retained different proportions of their foreign exchange earnings, thus creating the conditions for competition on the same footing.

It has helped further improve the overall control of foreign trade and give greater attention to the role of market regulation under the guidance of the principles of combining planning with market regulation.

It puts more foreign exchange at the disposal of foreign trade enterprises, thus providing more opportunities for foreign products to enter the Chinese market.

The reform is part of China's efforts to open wider to the outside world and has made the country's foreign trade system more conformable to the requirements of the General Agreement on Tariffs and Trade (GATT) and

facilitated Chinese foreign trade enterprises to participate in international economic cooperation and exchanges on an extensive scale.

12. Special Grain Reserves System

The system is established according to a State Council decision on September 12, 1990.

It is set up to solve the problem that has cropped up over the past years when the peasants found it difficult to sell the surplus grain they produced and to increase the ability of the state to control and regulate grain supply.

It is regarded as a strategic measure for stimulating grain production.

Under this system, the state has to purchase the surplus grain of the peasants at the protected prices at any time of the year and store the purchased grain at all levels of government administration.

The state has established a leading group in charge of special grain reserves and a state administration for special grain reserves put under the direct leadership of the State Council.

Part Five

OW2503011992 Beijing XINHUA in English
0103 GMT 25 Mar 92

[Text] Beijing, March 25 (XINHUA)—(This is the fifth of a series on Chinese terminology in connection with the annual sessions of the Seventh National People's Congress and the Seventh National Committee of the Chinese People's Political Consultative Conference. The first of the series was issued on March 22—editor.)

13. Household Contract Responsibility System With Remuneration Linked To Output

This is a main form of economic operation in China's rural areas today. In rural China, farmland is collectively owned, but under the new system the household can contract farmland from the village-based collective organization. A contract between the two sides defines the duties of the contracting household, such as selling a fixed quota of grain to the state and handing in a certain amount of profit to the collective. The collective organization provides services to the contracting household. The household can grow crops according to local conditions and in line with the state plans and sell its yield within the framework of the state policy.

14. System of Unified Management Combined With Independent Management

It refers to a management system within China's rural collective economic organizations, which combines unified management with independent contracted operation by the households. Chinese peasants have the tradition and rich experience of household management as well as the habit of depending on the community (village) to conduct production activities.

The system has integrated the two. The functions of unified management by village-based collective organization are to organize the use and management of farm machines, water conservancy projects and storage facilities, rationalize product mix, organize comprehensive agricultural development, and provide services to contracting households before and after production and disseminating agricultural science and techniques.

15. Collectivized Service System in Rural Areas

It includes the services within the collective economic organizations in rural areas, other economic entities engaging in various kinds of services and the services for agriculture rendered by the state economic and technological departments. The contents of services involve the services for farming, forestry, animal husbandry, sideline production and fisheries and for means of production as well as various kinds of services for techniques, funds, information, operation and management, processing of agricultural products and sales. The development of collectivized service system in rural areas is one of the strategic measures for bringing every positive factor into play and promoting the development of rural production.

Part Six

OW2603033892 Beijing XINHUA in English
0111 GMT 26 Mar 92

[Text] Beijing, March 26 (XINHUA)—(This is the sixth of a series on Chinese terminology in connection with the current sessions of the Seventh National People's Congress and of the Seventh National Committee of the Chinese People's Political Consultative Conference. The first of the series was issued on March 22—editor.)

16. Special Economic Zones: They follow special policies and administration in economic development in China. From 1980 onward, China has set up five special economic zones, namely, Shenzhen, Zhuhai, Shantou, Xiamen and Hainan. The special economic zones stress the development of industry and combination of industry with trade. They are set up to attract foreign funds, introduce advanced technologies and scientific management expertise, increase exports, expand international economic and technological cooperation and exchange and gradually set up an economic mechanism adaptable to the development of the export-oriented economy.

17. Coastal Open Cities: Based on the experience of setting up special economic zones, China decided in April 1984 to open 14 coastal cities to the outside world, including Dalian, Qinhuangdao, Tianjin, Yantai, Guangzhou, Zhanjiang and Beihai. The cities were given greater autonomy in approving foreign-funded projects and can establish economic and technology development areas to attract investment from foreigners, Overseas Chinese, and Hong Kong, Macao and Taiwan compatriots.

18. Economic and Technology Development Areas: They were set up following the opening of the 14 coastal cities. Except Beihai, all the coastal open cities have established development areas, 14 altogether (Shanghai has two). The state stipulates that the development areas enjoy some preferential policies similar to those enjoyed by the special economic zones. They were set up to attract advanced foreign technology and establish export-oriented enterprises.

19. New and High Technology Development Areas: China set up its first new and high technology development area in Shenzhen in 1985. In 1988, the State Science and Technology Commission launched what is known as the "Torch Program" which aims at establishing new and high technology development areas. In 1991, the State Council approved the establishment of 26 new and high technology development areas in coastal and inland cities to further attract scientific research institutes, universities and large- and medium-sized enterprises.

'Backgrounder' Views Approved 1988 Enterprise Law

OW2503011592 Beijing XINHUA in English
0100 GMT 25 Mar 92

["Backgrounder": China's Enterprise Law"]

[Text] Beijing, March 25 (XINHUA)—The Law of People's Republic of China on Industrial Enterprises Owned by the Whole People was approved by the First Session of the Seventh National People's Congress (NPC) in April, 1988 and was enforced on August 1 of the same year.

The first of its kind on the state-owned industrial enterprises, the law contains 69 articles in eight chapters. It stresses the separation of management from ownership, the functions of party committee and factory director and stipulates in detail the rights and obligations, economic responsibility and democratic management.

The law defines explicitly that the state-owned industrial enterprises are independent commodity producers and dealers, responsible for their own profits and losses; the related departments of the government provide services for them in line with the principle "the state regulates the market, and market, in turn, guides the operations of enterprises" and exercise supervision over and administer enterprises according to law and are now allowed to resort to administrative measures to interfere in the normal production order and business operations of the enterprises.

According to the law, on the condition of maintaining the ownership of the whole people, the enterprises have the rights to possess, use and dispose their assets. That means that the enterprises have the right to decide for themselves on the way of management, development and the transfer of their assets, including mutual investment, mutual holding of shares, mutual transfer of assets and mutual incorporation.

The law also stipulates that the enterprises can adopt varying modes of management and distribute their income in ways other than "to each according to his work."

It stresses that factory directors are in the central position of their enterprises and have the decision-making power concerning the management of their enterprises, the power to direct production and the power to decide on employment.

The law also explicitly defines the position of employees. They can participate in making decisions on major issues, voice their opinions and suggestions on work and production of their factories.

It also specifies the functions and rights of workers' congresses.

The legal responsibilities of an enterprises have also been clearly defined in the law.

There are more than 100,000 state-owned enterprises.

CPPCC Session

Members Debate Three Gorges Project

OW2603082892 Beijing XINHUA in English
0728 GMT 26 Mar 92

[Text] Beijing, March 26 (XINHUA)—The long-disputed Three Gorges project, which was expected to be a hot topic at the current sessions of the Seventh National People's Congress and of the Seventh National Committee of the Chinese People's Political Consultative Conference (CPPCC), has turned out to be otherwise.

In their discussions over the past few days, most CPPCC members deemed it necessary to embark on the giant project which will prevent flooding, generate electricity, facilitate navigation and irrigation.

The project proposal argues that the Three Gorges project can effectively control the water flow in 1 million square kilometers along the upper reaches of the Yangtze River, generate 84 billion kwh [kilowatt-hours] of electricity a year, accounting for one eighth of the total of China's annual electricity production, improve navigation in the Yangtze River and create conditions for diverting water of the Yangtze River to north China.

Most of the CPPCC members thought it feasible technically.

They held that the government has organized large numbers of specialists and scholars in the feasibility study of the project and the report of the feasibility study is scientific and convincing.

But there have been differences over the project since the project was put on the agenda of the government in the 1950s. In the past, the keenly-disputed questions of the project focused on resettlement of local residents, national strength and the effect of possible wars.

To some extent, the Three Gorges project is the largest and the most complicated project planned in China since the Great Wall was built 2,300 year ago.

It was estimated that by the year 2008, 1.13 million people would have to be displaced and resettled and the resettlement of such a large number of people is unprecedented in China.

Some members worried about the resettlement becoming a serious social problem.

But more CPPCC members are optimistic about it. Li Boning, director of the Office of Economic Development for areas of the Three Gorges of the State Council, held that there are many favorable conditions for the resettlement in spite of difficulties.

He said that in the reservoir areas, none of the townships will be totally inundated and the local people can be resettled nearby.

He said that there are a great deal of waste land and low-yield farmland on mountain slope for transformation.

Over the past six years, the resettlement experiments in the area have been proved successful and there is no problem for the production and life of the people to be resettled.

He noted that the people in the reservoir areas of the Three Gorges project are for the construction of the project.

Some members questioned the possibility of the government to raise the 57 billion yuan needed by the project and feared that it might become a "white elephant".

But the reasoning of the feasibility study relieved the CPPCC members of their worries. More and more members have come to realize that the huge amount of funds for the project will be raised over a period of 20 years and the amount for each year would be small.

Comparing with other large projects at home and abroad such as the first-phase of the Baoshan Iron and Steel Complex, Aswan Reservoir in Egypt and Itaipu Power Station in Brazil, the proportion of investment of the Three Gorges project to the gross national product and national income is the lowest.

Wei Tingzheng, director of the Yangtze River Water Conservancy Committee, said that from the 12th year on after the project starts the electricity output of the project will be more than 430 billion kwh, and all the debts can be repaid within a few years.

On the question of war effect on the project, Ho Sai-chu, chairman and manager of Hong Kong Fook Lee Construction Co. Ltd., said that now the main trend of the world situation is peace and the danger of war in the world is quite slim.

On the other hand, he said, if the Three Gorges project is completed, China's national strength will be enhanced

and its national defense will be strengthened, thus, it is unnecessary to worry about the question too much.

Yang Sheng, deputy secretary-general of the Hong Kong branch of the XINHUA News Agency, said that the experiments under the guidance of the headquarters of the general staff of the People's Liberation Army showed the destruction by the conventional weapons to the great dam of the project is limited.

He noted that the dam can be destroyed in case of a nuclear war. But once a nuclear war breaks out, the damages and losses would be confined not just to a dam, it would mean the extermination of the human beings. Who dares to launch a nuclear war?

He pointed out that the dam of the Three Gorges project is not the largest of its kind in the world. The water storage volume of the reservoir is ranked 25th in the world.

He said, "since other countries dared to undertake such kind of project, why aren't we?"

Many members held that before a war breaks out, China can take preventive measures.

During the discussions, the CPPCC members also raised many different opinions on the question of sedimentation and earthquake induction. When they have had an overall understanding of the project, they feel at ease. They have also raised a number of useful suggestions regarding the raising of funds.

Member Comments on Cooperation With Taiwan

OW2603121692 Beijing XINHUA in English
1133 GMT 26 Mar 92

[Text] Beijing, March 26 (XINHUA)—Wu Ketai, member of the Standing Committee of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), said here today that trade and economic cooperation across the Taiwan Strait has exceptional advantages and is an inevitable trend.

Wu, also chairman of the Taiwan Democratic Self-Government League, made the remark at a plenary meeting of the current session of the Seventh CPPCC National Committee.

He urged the Taiwan authorities to adopt a realistic attitude in promoting broad and all-round cooperation across the straits.

He said that in recent years, due to the correct policies of the Chinese Government, joint efforts of the people across the straits, and some flexible measures adopted by the Taiwan authorities, the relations between the mainland and Taiwan have witnessed fast development.

In terms of economic exchange and trade, he said that the number of Taiwan businessmen who came to the mainland to invest and run enterprises increased greatly

last year and the volume of indirect trade between the mainland and Taiwan also kept momentum.

At present, the relevant departments on the mainlands are taking positive measures to promote the development of the trade between the two sides, he added.

Some localities are to set up large development zones for Taiwan businessmen and offer more projects for them.

He believed that a new situation to attract Taiwan funds is emerging on the mainland.

Wu Ketai held that there is a broad prospect for the mainland and Taiwan to cooperate in investment and trade as well as in the development of new- and high-technology.

He said that now the Ten-Year Program for Economic and Social Development (1991-2000) and the Eighth Five-Year Plan (1991-1995) are being carried out on the mainland while the reform and opening to the outside world is accelerated. Meanwhile, Taiwan is also undertaking its six-year construction plan.

Thus, he said, it is beneficial for the mainland and Taiwan to complement each other.

On the other hand, Wu said, Taiwan's industrial upgrading is indispensable from high-technology while the mainland has made remarkable progress in high-tech and many fields of basic science. Therefore there will be broad prospects for cooperation between the two sides. In addition, the mainland is rich in oil and coal reserves which are scarce in Taiwan. Cooperation between the two sides can offer Taiwan access to such goods close at hand.

He pointed out that because the Taiwan authorities still set up obstacles in the relations across the Taiwan Straits, the direct exchange of mails, trade and air and shipping services and two-way exchanges which are desired urgently by the people across the straits have not yet been realized.

Due to the lack of the direct exchange, the trade cost between the two sides across the straits has to increase by 15 percent. On travel across the straits, Wu said, Taiwan compatriots pour out endless grievances since millions of them have to travel between the mainland and Taiwan via Hong Kong, which adds to their expenses, time and fatigue. All these have impaired the interests of the compatriots across the straits.

Wu said that experts and scholars on both sides of the straits have put forward many constructive proposals for promoting and expanding wide-ranging and overall economic cooperation.

He asked the Taiwan authorities to adopt a wiser attitude and positive measures sincerely and negotiate with the relevant departments of the mainland, as soon as possible, on overall economic cooperation across the straits, and make this cooperation a reality.

Members Discuss Education, Human Rights

OW2603124592 Beijing XINHUA Domestic Service
in Chinese 0932 GMT 26 Mar 92

[By Zou Aiguo (6760 1947 0948)]

[Text] Beijing, 26 March (XINHUA)—The Fifth Session of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] held its third plenary meeting at the Great Hall of the People this afternoon to continue to hear speeches. Nine members took the floor successively, stating views on bringing into play the leading role of the working class, energetically advancing nine-year compulsory education, creating favorable external and internal conditions for promoting scientific and technological progress, and on peaceful reunification of the motherland.

Wang Guangying, Ma Wenrui, Qian Weichang, Hu Sheng, Cheng Siyuan, and Lu Jiayi were the executive chairmen of today's meeting. State Councilor Chen Junsheng and responsible comrades of the State Council's ministries, commissions, bureaus, and offices attended the meeting as observers.

Member Fang Jiade, who is secretary of the Secretariat of the All-China Federation of Trade Unions, said: Promulgation of the new "Trade Union Law" will bring into better play the leading role of the working class in promoting reform, opening China to the outside world, and serving economic construction. He said: The new "Trade Union Law" is in line with the demands for implementing the party's basic line, facilitating reform and opening, and building socialism with Chinese characteristics. The law provides the legal guarantee for protecting the position of the working class as the master and for bringing into play the leading role of the working class in the new historical era. The promulgation of the law is an important indicator that our socialist democracy and legal system have become more complete.

Member Liu Chun, who is former president of the Foreign Affairs Institute, discussed human rights in a speech jointly issued by members Ding Xuesong and Zhou Jue. He said: Human rights is a major issue of universal concern in the international community. The Chinese Government attaches importance to human rights and has made unswerving efforts to respect and safeguard human rights in practice. He pointed out: Such views and propositions as "human rights is above sovereignty" and "it is reasonable to interfere in others' internal affairs" are, to put it bluntly, media propaganda conducted by certain big powers to pursue their hegemonism and power politics. This has poisoned the international atmosphere and is harmful to international peace and security. He advised those "guardians of human rights" in the West to stop acting against historical trends and willfully continuing things that are harmful to others but are beneficial to themselves or things that are harmful to others as well as to themselves. Such acts are unacceptable to the Chinese people, the people of developing countries, and people in the world.

Members Ge Zhicheng, who is vice chairman of the Central Committee of the China Association for Promoting Democracy; Yang You, vice chairman of the Central Committee of the Jiusan Society; Sun Fuling, vice chairman of the All-China Federation of Industry and Commerce; and Wu Ketai, member of the Central Committee Presidium of the Taiwan Democratic Self-Government League, made speeches on behalf of their respective organizations. The titles of their speeches are: "Administer Education According to the Law, Energetically Promote Nine-Year Compulsory Education," "Create Favorable External and Internal Conditions for Promoting Scientific and Technological Progress," "Implement the CPC Central Committee's Instruction, Shoulder New Historical Mission," and "Develop Cross-Strait Relations, Strive for Peaceful Reunification of the Motherland."

In addition, members Xu Zhihe, Pang Jufeng (representing Fang Ming), and Wang Zhao respectively spoke on the formulation of a "law for limited-liability companies," the role of schools of higher learning in promoting scientific and technological progress, and ways and means for the CPPCC to serve economic construction.

Vice chairmen of the CPPCC National Committee Fang Yi, Hong Xuezhi, Gu Mu, Pagbalha Geleg Namgyai, Deng Zhaoxiang, Wang Enmao, Su Buqing, Ismail Amat, Ding Guangxun, and Ye Xuanping, and secretary general Song Demin attended today's plenary meeting.

Members Stress Need for New Reform Measures

HK2603060792 Beijing CHINA DAILY in English
26 Mar 92 p 1

[By staff reporter Xie Liangjun: "Measures To Propel Reform Urged"]

[Text] Several leading CPPCC members yesterday urged new steps to stimulate the country's decade-old reform and opening-up policies at a plenary meeting in the Great Hall of the People.

As the fifth session of the Seventh National Committee of the Chinese People's Political Consultative Conference (CPPCC) went into its eighth day, speakers emphasizing the need for new measures included Vice-Chairman Wan Guoquan of the China Democratic National Construction Association, Vice-Chairman Gao Tian of the China Democratic League and Chairman Lu Jiaxi of the Chinese Peasants and Workers Democratic Party. They focused their suggestions on how to revitalize large and medium-sized State-run enterprises, how to promote co-ordinated development of regional economies and how to bring science and technology into full play.

Wan Guoquan said in his speech that the fundamental solution to revitalizing large and medium-sized State firms is "to deepen co-ordinated reforms so as to change the management mechanism of the enterprises, push managers into competing on the market, and make them

into socialist commercial producers and managers responsible for their loss, profit and development."

He called for less and less government administrative intervention in enterprises' management, urging development of markets and improvements in the market mechanism.

"At present, we should establish and improve a futures market or other kinds of wholesale markets as soon as possible," said Wan, adding that the government should lessen its control over trade in production and consumer materials.

In his speech, Gao Tian concentrated on how to promote balanced economic development in the different regions of the land.

He said that economic development in China's eastern and western areas has always been out of balance, with reports showing that the gap is widening.

He proposed the government formulate policies and regulations that would help the West develop in a planned way, yet giving priority to development of the East and South coastal regions.

The government should also call on the developed regions to help the under-developed ones, he added.

Member Says Government Bureaucracy Hinders Reform

OW2603101792 Beijing XINHUA in English
0929 GMT 26 Mar 92

[Text] Beijing, March 26 (XINHUA)—Ai Hongtao, member of the Seventh National Committee of the Chinese People's Political Consultative Conference, appealed for punishment of bureaucracy, which, he feared, might stand in the way of further reform and opening to the outside world.

Ai, a professor at the Henan Institute of Grains, said in an interview with the PEASANT DAILY [NONGMIN RIBAO], said that the reason why the correct line, policies and principles cannot be fully carried out is that some cadres have developed bureaucracy and if the country is to further reforms and opening to the outside world, it is imperative to knock down such bureaucracy.

The professor listed four aspects of the manifestations of bureaucracy with some government cadres:

- Indulgence in empty talk, with words not marrying deeds. They advocate the notion that "making no mistakes means merit". In handling affairs, they just shout slogans, formulate rules and make reports and that is all. Their determination remains on the mouth, measures remain on paper and actions at meetings.
- Divorcing from reality, turning a blind eye to the suffering of the people and a deaf ear to their voices and acting as a reception in conveying the instructions from above. They are resolute in words, but feeble in action in dealing with corrupt practices. They do

everything according to the same pattern and when problems occur they shirk their responsibility and pass the buck either to superiors or subordinates.

- Some leading organs are like awe-inspiring government offices in feudal China which keep their doors tightly closed and all the grim faces make it difficult to get things done. Hopelessly bloated, the offices are stacked with paper and documents. They merely listen to reports and read materials, thus encouraging over-exaggerations and false reporting.
- They sink into meetings, receiving visitors, foolishly indulging in seeking undeserved reputation and immediate gains, thus resulting in short-term behavior. In the departments under their administration, feasts at public cost and wastes and extravagance are prevalent and nothing but lip service is paid.

An Hongtao said these four manifestations are but the most dangerous ones in hindering the further reforms and opening to the outside world and the development of the economy and even social stability.

He warned not to allow these bureaucrats to run amuck and lose the opportunity for bolder reforms and opening up that has already presented itself. He urged severe punishments on such bureaucracy.

Deputies Propose Rural Economy State Commission

OW2603044092 Beijing XINHUA in English
0330 GMT 26 Mar 92

[Text] Beijing, March 26 (XINHUA)—A proposal to set up a state commission to coordinate efforts in developing rural economy was recently put forward by 23 National Committee members of the Chinese People's Political Consultative Conference (CPPCC).

Lu Qing, one of the CPPCC members who raised the proposal and former vice minister of land reclamation, said that now in China, rural economy no longer includes agriculture solely and agriculture, industry and service industry have become an inseparable entity.

At present rural economy in China covers, apart from agriculture, forestry, animal husbandry, sideline production and fishery, rural enterprises specialized in industry, communications, transport, construction, commerce and service, Lu said.

The output value of rural industry surpassed that of agriculture in 1989, becoming an integral part of the rural economy and important guarantee for agricultural development and modernization, Lu said.

Such a situation requires that while strengthening management over individual trade or industry, it is imperative to enhance overall coordination and unified guidance, Lu noted.

The proposal, which has been submitted to the on-going annual session of the CPPCC National Committee,

stressed that China's rural economy is shifting to the commodity economy and production, supply and marketing are indivisible. In the commodity economy, production, distribution and consumption are closely inter-related.

Thus, production, processing, preservation and marketing involved in agriculture and rural economy should be coordinated, according to the proposal.

Therefore, Lu and other 22 CPPCC members suggested that an authoritative organization that can effectively exercise management over all trades and industries in the countryside be established.

When the proposal put forward by Lu and others was reported in the press, many deputies to the National People's Congress (NPC) voiced their echoing opinions, according to the farmer's daily Tuesday.

An NPC Deputy Liu Xinshu said that the lack of an organization for overall management of rural economy is one of the reasons for overlapping government organizations and low work efficiency.

For instance, he said, at the provincial level, there are now departments of agriculture, forestry, water conservancy, aquaculture, animal husbandry, bureaus of land reclamation, rural industry, farming material companies and supply and marketing co-operatives. None of them can coordinate efforts shared by more than one department and shirking of responsibility is common. This is also the case at the central level, Liu added.

Zhang Youdao, an NPC deputy from Fengyang County in Anhui Province, proposed that the minister in charge of the projected rural economy commission should be concurrently a vice premier of the State Council.

Zhang Runsheng, an NPC deputy and vice governor of Hebei Province, said that the current setup of organizations has caused many difficulties in production. For instance, agricultural departments set the output quotas while chemical and material supplying departments allocate production materials according to their own plans and foreign trade and marketing departments purchase farmers' products with another plan of their own.

What is needed is not the reinstitution of the former agriculture commission, but a new organization that can cope with the development of the commodity economy, he said.

Scientists Call For Science, Technology Laws

OW2603085692 Beijing XINHUA in English
0817 GMT 26 Mar 92

[Text] Beijing, March 26 (XINHUA)—Some of China's noted scientists today called on the government to lose no time to formulate laws on science and technology so as to provide policy guidance and legal guarantee for scientific and technological development.

At the plenary meeting of the on-going Fifth Session of the Seventh National Committee of the Chinese People's Political Consultative Conference held this afternoon, Yang You said that he hoped that the National People's Congress would discuss matters concerning the launching of "China's Science and Technology Festival" to enhance the sense of science and technology of the whole nation.

Yang, also member of the academic committee of the Chinese Academy of Sciences, made the call on behalf of the central committee of the "Jiusan Society". He also called for setting up operational mechanism that will closely combine science and technology with economy and establishing a technology market so that the input in science and technology will come from all channels and at all levels in the whole society.

Pang Jufeng, professor of Xian Petroleum Institute, suggested that a risk fund for scientific and technological experiments should be set up and investment in research projects of universities be increased so that the scientific and technological work will play a bigger role in revitalizing large and medium-sized enterprises.

Ge Zhicheng, vice chairman of the central committee of the China Association for Promoting Democracy, raised a five-point suggestion on promoting the nine-year compulsory education.

The main points of his suggestion include great publicity of the "law on compulsory education"; perfecting regulations on education; enhancing the function of the government at various levels to enforce the law; setting up and perfecting supervision mechanism; raising funds for compulsory education by government according to law; augmenting the contingent of teachers for compulsory education; giving prominent place to quality of compulsory education.

Sun Fuling, vice chairman of the All-China Federation of Industry and Commerce, said that over the past decade, the non-public sectors of the economy have been a necessary and beneficial supplement to public sector.

He said that by the end of 1990, there were 14 million individual industrial or commercial households and private enterprises which provided jobs for more than 23 million people.

Over the past decade, he said, the sector has turned over 58.7 billion yuan to the state.

Sun pointed out that multi-layer and multilevel structure of ownership agrees with the current level of development of China's productivity and its basic economic conditions.

At the plenary meeting nine members took the floor, touching upon such subjects as the trade unions law, the share-holding system, CPPCC's work, human rights and relations between the two sides of the Taiwan Straits.

Ex-Diplomats Attack West's Human Rights Stand

OW2603094792 Beijing XINHUA in English
0932 GMT 26 Mar 92

[Text] Beijing, March 26 (XINHUA)—Members of the Chinese People's Political Consultative Conference (CPPCC) National Committee who are former diplomats, today refuted queer viewpoints on human rights prevalent in the Western world.

In their joint speech at a plenary meeting of the current CPPCC session, they pointed out that the views that "human rights is above sovereignty," "human rights knows no boundary," and "the principle of non-interference in internal affairs of other countries is not applicable to the human rights issue," go directly against the objective and principles of the United Nations Charter as well as the generally acknowledged norm of international law.

These viewpoints are nothing but a reproduction of colonial power politics in the new situation, they noted.

In their speech, Ding Xuesong, former Chinese ambassador to the Netherlands, Liu Chun, former president of the Foreign Affairs Institute, and Zhou Jue, vice-director of the Information Office of the State Council, said that human rights is a major issue of universal concern in the international community.

The Chinese Government, they stated, attaches importance to human rights and has made unswerving efforts to respect and safeguard human rights in practice.

"Proceeding from their history and national conditions, the Chinese people held that for a country and nation, the human rights should first of all be the people's rights to independence, to subsistence and to development," they stated.

However, they said that some persons in the Western countries misunderstand China's view that the right to subsistence takes first place in human rights, and some of them even distort China's viewpoints intentionally.

These Western figures claimed that China only stands for the right to subsistence and neither respects nor safeguards citizens' political rights, they added.

This kind of saying in the West "is meant to confuse right and wrong and is not worth refuting," the Chinese ex-diplomats said.

They pointed out that the Chinese people upheld the banner for democracy and human rights as early as they engaged in the struggle for their right to independence and subsistence.

Many CPPCC National Committee members at that time were fighters for democracy and human rights, and "they are the best witnesses," they noted.

The three ex-diplomats said that China has consistently attached importance to citizens' political rights, which

are prescribed in China's constitution. Citizens not only have the right to vote and stand for election but also enjoy their personal freedom that is inviolable, freedom of correspondence, of speech, of the press, of assembly, of association, and of procession.

They pointed out that certain Western countries "never say anything about their inglorious human rights record, but make wild criticisms and comments against and interfere in the internal affairs of China and other developing countries, and even impose all kinds of pressures and sanctions."

They asked, "Do not these countries which adopt entirely different standards and attitudes related to human rights to others and to themselves, want to force their own concept of value and human rights model onto others? Is it not a manifestation of power politics?"

The three ex-diplomats held that human rights in essence is a matter within the sovereignty of a country. Human rights can only be realized in the form of laws, norms and measures of a sovereign state.

"Such views and propositions as 'human rights is above sovereignty' and 'it is reasonable to interfere in others' internal affairs' are, to put it bluntly, reactionary propaganda conducted by certain big powers to pursue their hegemonism and power politics. This has poisoned the international atmosphere and is harmful to international peace and security," they said.

Their speech drew enthusiastic applause from the more than 1,000 CPPCC National Committee members in the Great Hall of the People this afternoon.

Democratic Parties Political Role Discussed

HK2603034592 Beijing CHINA DAILY in English
26 Mar 92 p 1

[By staff reporter Zhu Yuan: "Democratic Parties in the Limelight"]

[Text] "China's democratic parties are not opposition parties or political powers out of office. Rather, they participate in the multi-party cooperative system under the leadership of the Chinese Communist Party," a press conference was told in Beijing yesterday.

Leaders from several democratic parties stressed the point at a news conference held by the fifth session of the Seventh National Committee of the Chinese People's Political Consultative Conference in Beijing yesterday afternoon.

Asked whether the democratic parties are qualified to be called parties since some say they lack the attributes of a political party, Feng Zhijun, Vice-Chairman of the Central Committee of the China Democratic League, said that they have their own organization and guiding principles, and thus they are qualified to be political parties.

As to whether the democratic parties accept new members, Feng said that his party had about 20,000 members in 1978 when normal activities of the democratic parties were restored after the "cultural revolution" (1966-76), but now the figure has increased to about 130,000.

In response to a question as to whether democratic party members who hold posts in the various government organs have real power, Zhao Weizhi, Vice-Chairman of the Central Committee of the Jiu San Society, said that these members enjoy the full powers of their posts and are responsible for whatever departments are in their charge.

When asked whether there are Communist Party members in democratic parties, Cai Zimin, the Chairman of the Presidium of the Central Committee of the Taiwan Democratic Self-government League, said there are a few Communist Party members in their league.

Political & Social

Article Notes Deng's Guangdong Plant Visit

HK2603054692 Guangzhou YANGCHENG WANBAO
in Chinese 20 Mar 92 p 1

[Article by staff reporters Chen Dongqing (7115 0392 7230) and Luo Wenjin (5012 2429 6930): "Deng Xiaoping Was Here That Day"]

[Text] Many people have visited the Guangdong Zhujiang Refrigerator Plant, which is well known for its Rongsheng brand refrigerator products. But the visit that is most unforgettable to the Rongsheng people was the visit that lasted half an hour on the afternoon of 29 January 1992. Pan Ning, director of Zhujiang Refrigerator Plant, recalled that most exciting moment during an interview with these reporters a few days ago.

It was around 1600. The sun shone brightly on the red carpet at the front door of the technical development and administration building of Zhujiang Refrigerator Plant, creating a warm atmosphere. A medium-sized bus silently glided into the plant site. Emerging from the bus was a hale and hearty man—Comrade Deng Xiaoping.

There are normally nine sofas in the plant's No. 1 conference room. But, since everybody wished to see the revered Uncle Deng, an extra standing audience showed up in the conference room, forming a loop against the walls. Sitting by Deng Xiaoping's right side, Pan Ning began to brief Deng in a terse language on the past, present, and future of Zhujiang Refrigerator Plant: This plant was founded in 1983 and started operation the following year; its output has increased by 16 times over the past seven years and the plant has now been ranked among the leading enterprises in the refrigerator manufacturing industry in China.

Deng Xiaoping, in a beige casual jacket, nodded from time to time when listening attentively to the briefing. When the briefing ended, Foshan City CPC Committee

Secretary Ou Guangyuan, who was seated opposite to Deng Xiaoping, added: "This plant is graded class-one national enterprise and has won the national gold prize. Uncle Deng, you did visit Shunde once in 1984, do you remember that?" Smiling, Deng Xiaoping replied: Oh yes, we are old friends. Everybody laughed when hearing Deng's remark.

Deng Xiaoping asked Pan Ning: "How much was your plant's export value last year?" "Nearly \$7 million." "Well, where are your products exported to?" "Pakistan, Hong Kong, and some Southeast Asian countries." "Do you have any difficulty in exporting your products?" "No, there is no problem."

Leading comrades of Guangdong province, Xie Fei and Zhu Senlin, who were also present on the occasion, urged Pan Ning to say a few words about his plant's special characteristics. Pan Ning said: Our enterprise has made great progress again and again in the past few years. The key to our success lies in product quality. Deng Xiaoping nodded in approval when hearing this.

Twenty minutes later, when Deng Xiaoping walked out of the No. 1 conference room and arrived at the lobby of the building, many staff members and workers of the plant who had learned of Deng's visit to their plant had already gathered there, standing on both sides of the passage to greet the guest with warm applause and to express their respect and thanks to the chief designer of China's reform and opening up program. Deng Xiaoping, with a smile, waved his hand again and again. Upon leaving the plant, he turned round, cast a glance at the modern and gorgeous building, and asked the host with great interest: What is this building used for? Pan Ning told him: This is our technological development and administration building.

People stepped forward one after another to shake hands with and bid farewell to the guest. The medium-sized bus was driven away slowly....

Comrade Deng Xiaoping's inspection of the plant was a great inspiration to all the staff and workers. Through the study of Comrade Deng Xiaoping's remarks on the construction of socialism with Chinese characteristics, the staff and workers have had greater confidence and their morale has been heightened. The plant had already sold 93,000 Rongsheng Brand refrigerators in the first two months of this year, more than double the sale volume for the same period last year. Recently, the plant has developed a new series of frost-free refrigerators, a new generation of hi-tech products, in cooperation with the Japanese Sharp Company. This has opened a new chapter in China's refrigerator manufacturing industry, which used to produce only medium- and lower-grade refrigerators in the past. Pan Ning said in excitement: We will certainly make greater efforts to run the plant better, and live up to Comrade Deng Xiaoping's expectations of us!

Li Ruihuan Begins Government Antileftist Campaign

HK2603034792 Hong Kong THE STANDARD
in English 26 Mar 92 p A-8

[By Cheung Po-ling in Beijing]

[Text] The Communist Party top propagandist Li Ruihuan, a protégé of paramount leader Deng Xiaoping, has launched a grand in-house cleansing campaign against leftism in seven party and government bodies which are now controlled by conservative ideologues.

Sources said the targets of the cleansing included party's Central Propaganda Department, Ministry of Culture, Ministry of Broadcasting, Film and Television, State Education Commission, Academy of Social Sciences, PEOPLE'S DAILY and the QIUSHI magazine.

The Central Secretariat of the party has issued a document drafted by Mr Li to the seven organizations, detailing the two major tasks of the departments, sources said.

First, the departments were asked to carry out a thorough examination to unearth the leftism, which was in contradiction with the party line adopted since the Third Plenary Session of the 13th Party Central Committee in 1978 and those held responsible should make self-criticisms on the wrongdoings.

Second, the departments had to persist in their fight against pornography, which had also been made as a long-term task of the country.

The document also urged the seven departments to put Mr Deng's spirit fully into practice.

Sources said the cleansing drive might pave way for the final downfall of the leftist leaders of the seven units such as He Jingzhi, acting Cultural Ministry, Gao Di, director of the PEOPLE'S DAILY, and Wang Renzhi, head of the Central Propaganda Department. The trio had been criticized by Mr Deng during his tour in southern China.

Sources said among the seven, the Central Propaganda Department was the quickest to react on the directives by Mr Li.

Battle Against Leftists Said 'Intensified'

HK2603033992 Hong Kong SOUTH CHINA
MORNING POST in English 26 Mar 92 p 11

[By Willy Wo-lap Lam]

[Text] Patriarch Mr Deng Xiaoping has intensified his battle against the conservative faction of the party by manoeuvring central and local leaders to air their views on his latest anti-leftist crusade.

Specifically, the cadres are asked to give their opinions on how to combat "leftism" and to perpetuate the Deng line of fast-paced reform.

So far, at least three conservative politburo members, premier Mr Li Peng, Vice-premier Mr Yao Yilin, and organisation chief Mr Song Ping have refused to acknowledge the importance of combatting "leftism," or Maoist ideas.

However, these leftist holdouts are encountering opposition as moderate leaders in Beijing, the provinces, and the Army take advantage of the on-going National People's Congress (NPC) session to uphold the Deng line.

Party General Secretary and Deng protege Mr Jiang Zemin has disclosed that the politburo will translate the patriarch's ideas into "concrete policies."

While talking to NPC members from Shanghai, Mr Jiang highlighted the most important Deng dictum: "While it is necessary to guard against 'rightist' deviations, we should mainly counter 'leftist' tendencies."

"We must further emancipate our minds and brush aside ideas that may prevent us from absorbing new knowledge and new policies," the Chinese media yesterday quoted Mr Jiang as saying.

Mr Jiang also disclosed that the politburo was drafting "concrete measures" to materialise Mr Deng's theory that economic reform be maintained for 100 years.

Political sources said those measures would include the legitimisation of quasi-capitalistic ways of doing business.

The sources said the recommendations of the politburo would probably be enshrined in the political report at the 14th party congress late this year.

"If Deng's ideas become policies and are written into the 14th congress report, there is less likelihood they can be overturned by leftists," a source said.

Aside from leaders from the "Gold Coast," cadres from other provinces, including Heilongjiang, have made statements on battling leftism.

However, conservative leaders including premier Mr Li, vice-premier Mr Yao and Mr Song have continued to withhold their support to the anti-Maoist crusade.

Mr Song had trimmed his sails somewhat when he aped the Deng line about "bold reform" while addressing Gansu legislators earlier this week.

"If we are afraid of this and worried about that, reform cannot be deepened," Mr Song said. "This requires us to liberate our thoughts and to be bold in creativity."

However, Mr Song, who holds the crucial personnel portfolio, made no mention of the need to eradicate leftist influences.

Meanwhile, Chinese sources said the gist of document No 2, which contains Mr Deng's latest instructions on reform, had been disseminated to ordinary workers and residents in selected cities in Guangdong and Fujian.

However, in Beijing, considered a bastion of conservatism, circulation of the document is still restricted to mid-ranking cadres.

The sources added Mr Deng wanted to bypass the party and government hierarchy and take his case directly to the people.

Forum on Upholding Basic Line for '100 Years'

HK2603093092 Beijing RENMIN RIBAO
in Chinese 25 Mar 92 p 1

[Article by Xiao Yu (3469 7183): "Uphold Basic Line for 100 Years"]

[Text] A plenary session of the CPC Central Committee Political Bureau pointed out that China can have long-term stability and be full of promise as long as we firmly uphold the party's basic line of "one center and two basic points" for 100 years. This is a very important idea.

The upholding of the party's basic line for 100 years indicates the confidence and determination of the CPC Central Committee, with Comrade Jiang Zemin as the core, in unswervingly leading the people of the whole country in building socialism with Chinese characteristics.

China is now at the initial stage of socialism. The main social contradiction in China at present is the one between the people's increasing material and cultural needs and the backward social productive forces. The basic line for the initial socialist period is to "take economic construction as the central task, uphold the four cardinal principles, and adhere to reform and opening up." Since the Third Plenary Session of the 11th CPC Central Committee, the whole party and nation have firmly implemented the basic line of "one center and two basic points." As a result, China's economy has grown rapidly, its overall national power has strengthened greatly, and the people's living standards have improved remarkably. The people are happy and our achievements have attracted worldwide attention. Practice has proved that the party's basic line is a correct one for making the country and people strong and prosperous. To realize the grand objective of modernization, we must unswervingly follow and implement this basic line.

The upholding of the basic line for 100 years correctly reflects the protracted nature of the initial socialist stage and the arduousness of the task. In addition to the large population, limited average resources, and uneven regional economic development, China's economic, technological, and cultural foundation is relatively backward. Therefore, it will be a period of considerable length for China to realize its modernization program. China's economic development strategy is divided into three stages: First, resolve the problem of food and clothing; second, attain a fairly well-off level; and third, reach the level of the intermediate developed countries and basically realize socialist modernization. We have already attained the first step strategy. The second step

strategy will be realized at the end of this century. As the task of the third step strategy is more arduous, it will take a longer period of time, probably half a century. Like climbing a mountain, the higher you go, the harder it will be for every step taken ahead. We should unswervingly uphold the party's basic line for 100 years.

The line determines policies. To maintain firmness of the party's basic line, the basic policies for urban and rural reform should remain stable for a long time. For example, the Eighth Plenary Session of the 13th CPC Central Committee has affirmed that the rural household contract responsibility system with remuneration linked to output will remain unchanged. Naturally, it can be further improved along with practice and through reform. Stability does not mean that everything should be still. We should seek development based on stability and seek stability based on further development. It is necessary to integrate stability with development. Since reform and opening up, we have drafted a large number of rules and regulations covering many aspects. There are definite principles and policies in the economic, political, scientific and technological, cultural, military, and diplomatic fields. In another 30 years, we will be able to establish a more mature and finalized system. The principles and policies under this system will also be finalized. Before the finalization, we should carry out bold experiments, vigorously explore, and never become complacent and conservative, ceasing to make progress. The tasks of reform and opening up are heavy and the road is long.

Upholding of the party's basic line for 100 years embodies the unity of revolutionary and scientific nature. It is an understanding acquired from a sober mind as well as a manifestation of lofty aspirations. Although 100 years sound like long time, it will be pressing for us to realize the grand objective. One basic line and the three step strategy embody the common will of the people of all nationalities throughout the country. They also constitute the bugle calling on sons and daughters of the Chinese nation to go all out to build the great motherland. The period from now to the turn of the century will be very crucial. The current situation at home and abroad is to our advantage. We should seize this opportunity, properly implement the party's basic line, and particularly expedite the pace of reform and opening up. When we are sure of a target, we should carry out bold experiments, courageously blaze new trails, and let the great cause of building socialism with Chinese characteristics shine with dazzling splendor in the 1990's.

Qiao Shi on Strengthening Public Security

*HK2603055492 Beijing RENMIN RIBAO
in Chinese 14 Mar 92 p 1*

[By XINHUA reporter Zhou Lixian (0719 4539 2009) and RENMIN RIBAO reporter Mao Lui (3029 4320): "Qiao Shi Calls for Further Efforts To Strengthen Public Security Work"]

[Text] Beijing, 13 Mar (RENMIN RIBAO)—The Central Committee for the Comprehensive Management of Social Order convened its fifth plenary session in Beijing today. Qiao Shi, director of the committee and Central Political Bureau Standing Committee member, delivered a speech at the meeting, and required party committees, governments and related departments at all levels to earnestly study Comrade Deng Xiaoping's important discussions on building socialism with Chinese characteristics, implement the spirit of the recently convened Central Political Bureau meeting, firmly implement the party's basic line of "one central task and two basic points," adhere to simultaneously and firmly grasping reform and opening on the one hand, and cracking down on various criminal activities on the other, wipe out all ugly phenomena, further augment work in comprehensive improvement of social security to create a stable social environment for accelerating reform, opening up, and economic development and make due contributions to building socialism with Chinese characteristics.

Deputy Directors Wang Jiangxin and Wang Fang and 28 other members of the said committee participated in the meeting.

Reviewing work since the committee was founded a year ago, Qiao Shi stated that since last year, the Central Committee, the National People's Congress Standing Committee, the State Council and all localities and departments have given prominence to grasping work in comprehensive improvement of social order, and the results have been fine, as reflected from all sides. The big rise in criminal cases has been initially halted, with social order and the social atmosphere gradually taking a turn for the better. The sense of security among the broad masses has been somewhat strengthened, and their enthusiasm for maintaining social order further boosted. Facts prove that the path of grasping comprehensive improvement of social order is correct.

Qiao Shi stressed that it will still be one of the key tasks for the party and the government to achieve comprehensive improvement of social order. The party and the government regard work in comprehensive progress in social order as an important measure for maintaining social order and stability and are bent on grasping the work persistently. All localities and departments should further deepen their understanding and implement with unremitting efforts various measures for comprehensive improvement in the practical work of all localities and departments as well as in grass-roots units and among the masses.

Speaking about this year's focus on work, Qiao Shi stressed that it will be of top importance to severely crack down on various ugly social phenomena and firmly wipe out the illegal sale and use of drugs, prostitution and visiting prostitutes. It is imperative on the one hand to implement the principle of linking ad hoc organs closely to mass work, while augmenting supervision and

checking of all links in law enforcement work to earnestly correct the tendency of not being strict in law enforcement and cracking down ineffectively; and on the other to unfold activities in rich and colorful propaganda, mobilize and organize the people to fight law-breaking behavior, and commend good people and good things characterized by a readiness to take up cudgels for a just cause to shape a social atmosphere characterized by showing respect for others, showing mutual understanding, always being ready to help others, and "every one having responsibility for maintaining social order."

Vice Minister of Public Security Yu Lei delivered a report on the current situation in social order and in the "severe crackdown" and the fight against robbery and theft.

Article Cites Increase in Copyright Disputes

HK2603041092 Beijing CHINA DAILY in English
26 Mar 92 p 3

[Report: "Copyright Cases Rise as New Law Takes Effect"]

[Text] China's judicial departments are having to deal with an increasing number of copyright disputes as China's Copyright Law, in effect since last June, provides a strong legal basis for solving disputes.

Last year, various courts in the country dealt with more than 153 cases of copyright disputes compared with a little more than 100 cases in the previous year, the Press and Publishing Journal reported.

It is expected that this increase will continued in the next few years as the Copyright Law instills a stronger legal sense on the part of writers, artists and scientists, said the journal.

Most cases involving copyright infringement were brought in economically-developed areas of the country and range from written works to audio and video products, fine arts, and paintings.

After hearing the latest development in copyright cases, the Education, Science, Culture and Health Committee of the National People's Congress decided to speed up the trial of some major infringement cases and protect the lawful interests of the authors, the journal reported.

Most cases brought to trial include pirating another's work, duplicating and publishing the work for the purpose of profit without the author's consent; publishing the book to which another has exclusive publishing rights; and making and selling counterfeited fine arts.

In view of the increase in the number of complicated cases, the Supreme People's Court is drafting a series of documents explaining the details of the law.

For solving infringement disputes, the Copyright Law provides for conciliation, administration and lawsuits.

The administrative authority can only impose punishments such as seizure and fines. It has no right to order the alleged infringer to stop the infringement, make amends or pay damages.

These civil remedies are available only through conciliation and lawsuits.

The National Copyright Administration is also drafting a set of regulations which will help resolve disputes arising from contracts between authors and publishing houses.

Writers and publishers are now asked to sign contracts setting out their rights and responsibilities before a work is published.

Writers can send their works to various publishers unless they are forbidden to do so in the contract.

Writers can also bargain with the publishing houses on their fees, which may be higher or lower than the standards set by the government.

In China, other media can run stories that have been published in another newspaper or magazine as long as the copyright owner raises no objection and if they also pay the author.

However, as the author's name and address is quite often not known, the National Copyright Society has been entrusted with the responsibility of forwarding money from the media to those authors whose names and addresses are unavailable.

China is also preparing to establish an organization to help domestic clients apply for foreign copyrights.

Commentator Hails Law on Territorial Waters

HK1803101092 Beijing FAZHI RIBAO
in Chinese 26 Feb 92 p 2

[Commentator's article: "Important Law That Safeguards China's Rights and Interests"]

[Text] With a view to exercising still better our country's sovereignty over our territorial waters, our power to control our contiguous zones, and safeguard our national security and maritime rights and interests, the National People's Congress Standing Committee adopted a "PRC Law of Territorial Waters and Their Contiguous Zones" on 25 February.

The territorial waters of a country are the sea areas adjoining its land territories and inland waters. Our country has vast sea areas and a coastline of more than 18,000 km. In 1958, the government of our country issued a statement announcing that the extent of our territorial waters would be 12 nautical miles from the shore. The Law of Territorial Waters and Their Contiguous Zones confirms in the form of law that the extent of our territorial waters is 12 nautical miles and expressly provides that the sovereignty of our country over its

territorial waters is extended to the air space over its territorial waters and to the seabed and bottom soil of its territorial waters. This further provides a legal basis for safeguarding the sovereignty of our country over its territorial waters. To effectively exercise the sovereignty of our country over its territorial waters and to safeguard the security and interests of our country, when passing through the territorial waters of our country, foreign ships must abide by the laws and regulations of our country and shall not infringe upon the peace, security, and good order of our country in accordance with the provisions of the Law of Territorial Waters and Their Contiguous Zones. Foreign military ships entering the territorial waters of our country must be subject to the approval of the government of our country. If foreign organizations or individuals carry out activities, including scientific research or maritime work, in the territorial waters of our country, they must be subject to the approval of our country's government or other relevant departments in charge and must abide by the laws and regulations of our country.

Our country has over 5,000 islands. In addition to the islands along the coasts of the mainland, it has Taiwan Island and the islands attached to it, including the Diaoyutai Islands, the Penghu Islands, the Dongsha Archipelago, the Xisha Archipelago, the Zhongsha Archipelago, the Nansha Archipelago, and so on. The territorial waters include not only sea areas adjoining the mainland but also sea areas adjoining the islands. The formulation of the Law of Territorial Waters and Their Contiguous Zones is highly conducive to safeguarding the sovereignty of our country over all islands, archipelagoes, and the territorial waters around them.

Contiguous zones are sea areas adjoining territorial waters which are beyond the territorial waters. The extent of the contiguous zones of our country is 12 nautical miles. The purpose of setting up contiguous zones is to prevent and punish acts which violate the laws and regulations of our country governing security, customs, finance, public health, and entry into and departure from our borders. The formulation of the Law of Territorial Waters and Their Contiguous Zones confirms the system of the contiguous zones in the form of law for the first time and this is very important to safeguarding the rights and interests of our country.

The Law of Territorial Waters and Their Contiguous Zones is an important law relating to state sovereignty and establishes a legal system for the territorial waters of our country and their contiguous zones in the form of state legislation. On the basis of this law, our government will announce the basic point and basic line of our territorial waters. The enforcement of the Law of Territorial Waters and Their Contiguous Zones will surely bring further advantages to safeguarding the state rights and interests of our country.

XINHUA: College Graduates in Short Supply

OW2603082992 Beijing XINHUA in English
0736 GMT 26 Mar 92

[Text] Beijing, March 26 (XINHUA)—The supply of college graduates falls greatly short of demand this year in China, the first time in five consecutive years.

According to sources from a national conference on the distribution of college graduates held recently, there will be a total of 650,000 college students graduating from their schools across the country this year, including 590,000 bachelor's and master's degree holders from state or local owned universities, and 60,000 adult education graduates in the country.

The demand for college students is much bigger than the figure this year, contrary to the situation during past few years since 1987.

One of the distinguishing characteristics in this year's distribution of college graduates is that most of the youngsters will go to the forefront work units of national economy, and more will be assigned jobs in large- and medium-sized state-owned enterprises, or to work for those state key projects.

Yet the preferential policies still cannot meet the demand of those firms. Statistics revealed that the 428 large- and medium-sized state firms attending the conference need more than 30,000 college graduates this year, while the state can only offer them 6,500 according to plan.

Universities and work units are busily engaged in their business at the conference. Only one day after the meeting started, 80 percent of the college graduates within state plan were found good places, quick work was seen especially in those key colleges like Beijing University, Qinghua University, Fudan University and Zhejiang University.

The demand for college students picked up fast in eastern Zhejiang Province where 35,000 are wanted in the whole province while only 17,500 are available.

Employers from remote areas had done all they could including offering many special treatments to attract college graduates to their places.

Despite the serious thirst for college graduates all over the country, some of them still have difficulties finding proper jobs, especially those girl students majoring in social arts, according to the sources.

One reason is that many party and government institutions are getting saturated these years, and on the other hand, some graduates are unwilling to choose small cities and work units.

Wang Zhichang, an official in the State Education Commission, attributed the increasing need for college students chiefly to the fast growth of the national economy during the past few years.

Groups of key projects will be launched in the coming years according to state plan, which will cause a greater shortage of special and technical personnel, he said.

Government Issues Latest Demographic Figures

OW1803123192 Beijing XINHUA
in English 1155 GMT 18 Mar 92

[Text] Beijing, May 18 [date as received] (XINHUA)—The Ministry of Public Security announced recently that China's population rose to 1,141,907,793 by the end of 1991.

The figure, which did not include residents in Hong Kong, Macao and Taiwan and active duty servicemen on the mainland, also revealed that the country had a total of 294,578,736 households with an average of 3.88 members. In addition, the male to female ratio stood at 106.27 to 100.

The ministry based the figures on the household registration records.

Economic & Agricultural

Economic Theorists Discuss Reform Views at Forum

Part 1

HK2503144092 Beijing GUANGMING RIBAO
in Chinese 2 Mar 92 p 3

[Report: "Deepen Reform, Open Wider—Excerpts of Speeches at Beijing Symposium on Economic Theory"—first paragraph is GUANGMING RIBAO editor's note]

[Text] Deepening reform and expanding opening up is currently the hot topic of discussion. To promote development and deepening of the practice of reform and opening up, on 21 February the theoretical department of this newspaper invited some of the economic theorists in the capital to a symposium. The following persons attended and spoke at the forum: Dong Fureng, He Wei, Fang Sheng, Zhu Mingchun, Zhong Pengrong, Tang Fengyi, Wei Xinghua, Wang Jue, He Jianzhang, Zhang Zhuoyuan, Wu Zhenkun, Chen Jiyuan, Guo Zhenying, Huang Zhenqi, Chen Wentong and other comrades. Comrade Du Yan submitted his opinion in written form. In the "Double Hundred" spirit, comrades who attended the forum stated their opinions and held forth with their views. The following is the first of two excerpts from the symposium speeches.

Wang Jue [3769 3778]: "Raise Understanding, Unify Thinking"

To implement the central policy of deepening reform and expanding opening up, it is necessary to further raise understanding and unify thinking.

1. We must clarify several basic theoretical issues which guide reform and opening up toward healthy development: 1) The socialist economy is a planned commodity

economy and guidance planning must vigorously develop it for the social productive forces to be developed, modernization realized, and for us to uphold and develop socialism. We should not think that advocating developing a commodity economy necessarily goes against the socialist direction. 2) A socialist economic system should be a planned market system combining planning and market and playing a full role in market regulation under guidance planning. It is a fundamental guarantee for sustained, stable, and coordinated development of the socialist economy. We cannot believe that the vigorous pursuit of market development, orienting reform toward the market, or that planning-market combination must take the market as the foundation and planning as the guidance, and so on, do not correspond to Marxism and go against the overall direction of reform. The view which sets reform against fostering and establishing a developed market system works against the promotion of reform. 3) Public ownership of the means of production is the premise and foundation of the socialist economy. The nature and basic system of public ownership must be firmly upheld. However, the methods by which public ownership of the means of production is realized must be reformed to meet the needs of the development of productive forces and the commodity economy, so that the superiority of public ownership is given play. Changing the realized form of public ownership does not mean turning public into private ownership, pursuing privatization, and so on. Equating the nature of public ownership with its specific and actual forms is currently the main impediment to deepening reform and expanding opening up. I believe we should achieve a consensus on the basic theoretical issues as mentioned above; otherwise they will obstruct deepening reform and expanding opening up.

2. No doubt the argument by the central authorities that deepening reform must take enterprise reform as the center and we must start with switching the enterprise management mechanism to push enterprises toward the market, is highly accurate. However, I think that in order to implement this correct central policy of deepening reform, we must also pay attention to the following problems.

First, we must realise that pushing enterprises toward the market is a package process, in coordination with deepening reform, and a complicated and heavy task. We must not just observe and refuse to go ahead, nor can we be impatient for success; thinking and practices which simplify a complicated problem will work against the healthy development of deepening reform.

Second, switching the enterprise management system is the only way to push enterprises toward the market. However, switching an enterprise's management system will not work unless based on the enterprise's own establishment and systems. The fundamental issues in the building of an enterprise system are separating enterprises from administration and a clear definition of property rights.

Third, smashing the "three irons" (iron ricebowl, iron-clad wages, and iron armchair (lifelong tenure)) is where switching the enterprise management system can make a breach, but smashing the "three irons" must be coordinated and carried out apace with other reforms.

By Wei Xinghua [5898 5281 5478]: "Effectively Push Enterprises Toward Market"

Pushing enterprises toward the market represents a deepening of market-oriented reform. Ever since reform, we have attached importance to the role of market mechanisms; nevertheless, enterprises have been leaning on government administrative departments in the course of moving toward the market and have not been moving themselves independently toward it. If enterprises cannot move toward the market independently, it will be difficult to realize effective market regulation. Therefore, to allow real play of the functions of market regulation, we must effectively push enterprises toward the market.

To push enterprises toward the market, we must carry out work properly in the following two areas:

1. We must develop the market, perfect the market mechanism, and make the market system viable. The keys to perfecting the market mechanism are price system reform and formation of a unified market. If prices are distorted and fail to reflect changes in value and supply-demand relations in a timely way; and if the double-tier system, local barriers, and carving up of markets continue, it will be very difficult for market regulation to have an effective role. If we prematurely push enterprises toward the market under these circumstances, we can hardly expect to get the results we desire. At present, we should first direct those enterprises which have a relatively good market environment toward the market, following this up with the creation of conditions by improving the market environment, and gradually move the other enterprises toward the market.

2. We should strengthen and perfect the macro-regulatory and control system. State-run enterprises move toward markets with macro-regulation and control and planned regulation, and not completely spontaneous ones. The pursuit of the combination of a planned economy with market regulation relies mainly on the good handling of the combined form within a guidance-planned economy. The combined form here should be such that "planning regulates the market and the market regulates the enterprises." The mention of market regulation will easily be construed or defined as entirely a case of spontaneous regulation through the law of value, or wholly spontaneous market regulation. In fact, in a socialist public-ownership economy, there are two forms of market regulation: One in which the economy is not under state plans, and the economy relies mainly on spontaneous market regulation; another is market regulation guided by planning—that is to say, the market that regulates enterprises, is itself regulated by planning.

Obviously, the latter market regulation is one in which the law of value is consciously understood and exploited.

We also need to achieve the following in order to move enterprises toward the market: We need to genuinely put into effect the policy of giving decision-making powers to enterprises, including decision-making powers on production, supply, sales, personnel, property and materials; a condition where the economic interests of an enterprise are determined by the actual performance of its products on the market; and optimizing the production structure and achieving basic total equilibrium.

By Chen Jiyuan [7115 0679 0337]: "Reform Is Impetus for Rural Economic Development"

Rural reform was the main impetus for the prosperity of our country's rural economy in the 1980s. The further deepening of rural reform in the near future will become a fount of tremendous power for doubling the rural GDP [gross domestic product] by the end of this century, yielding 500 billion kg of grain and, on this basis, achieving the grand goal of agricultural modernization.

We now need to seriously study and implement the CPC Central Committee decision on strengthening agriculture and rural work, continue to stabilize policies the party has long pursued in rural areas, especially the contract responsibility system on a household basis with remuneration linked to output, to fully mobilize the peasants' initiative and motivation for production and management. For some time to come, while stabilizing the contract responsibility system on a household basis with remuneration linked to output, making sound and perfecting the two-tier management system, developing socialized services systems and strengthening the collective economy, it is also necessary to consider how the rural economy relates to the national economy and strive to promote and deepen rural economic reform on the macroscopic economic level.

Deepening reform of agricultural product prices and the circulation system is an issue which the broad masses of peasants strongly demand is resolved and a key link for further developing the rural commodity economy. I believe that in this regard we need to study the following problems:

First, how to combine rural small-scale individual household production with large socialized markets; and in what form are circulation links and peasants organized and moved toward the market.

Second, how to go about reform in the circulation system of agricultural products and building markets. This includes the problem of finding a way to give different guidance to different agricultural products and identify which economic main bodies will join the circulation; the composition of market system; the specific forms of the combination of planning and market and so on.

Third, how to straighten out the proportions between agricultural and industrial products, and those between

agricultural products themselves, in order to gradually narrow the "scissors difference." This is a very complicated issue both in theory and practice. To date, there has not been much study and even estimates on the basic situation are far off the mark. For instance, regarding the "scissors difference" between agricultural and industrial products, some people believe that the gap is widening, while some think it is narrowing, and some even think there is "reverse scissors difference" between industrial and agricultural product prices. The current pressing task is for an objective and accurate evaluation on agricultural product prices. We can then go the next step and promote price reform and adjust price policies. Agricultural product prices and the circulation system directly concern the intimate interests of the broad masses of peasants and whether or not our country's agriculture can have sustained and stable growth. As regards reform in this area, we must be positive in attitude and steady and sound in action.

Many problems which rural economic reform needs to study to find a solution are beyond the scope of our knowledge. We must attach full importance to, and fully respect, the practical experiences of the broad masses of peasants led by the party, continue to uphold and deepen rural reform, and probe for and open up a path of agricultural modernization with Chinese characteristics.

He Jianzhang [0149 1696 4545]: "Switching Management Mechanism of State-owned Enterprises"

Socialist countries will not achieve anything without reforming or when reform deviates from the socialist direction. The key of socialist reform lies in switching the management mechanism in state-owned enterprises to turn them into vibrant commodity producers and operators, enjoying independent management, self development and self restraint, and solely responsible for their own profits and losses.

The premises for switching the management mechanism of state-owned enterprises lie in correctly handling the relationship between the state and enterprises, upholding the principle of separating enterprise management from administration and separation of the two powers. Under the premise of upholding the whole-people (state) ownership right over the means of production, management powers should be given to enterprises, in pursuit of the principle of "state ownership and enterprise (collective) management" and in seriously implementing the "Enterprise Law" which grants enterprises decision-making powers over management. Regarding state administration of enterprises, apart from a small number of special enterprises which are still directly administrated by relevant state administrative departments, all enterprises are under the administration of the National People's Congress [NPC] State-owned Assets Administration. Apart from observing the management principles approved by the NPC Standing Committee and other policies laid down by the state, enterprises should be run entirely independently and on their decisions. They should be free of the bonds of

"being owned by departments and localities" and step-by-step, pursue the separation of taxes and profits. The central and local authorities should have separate taxation.

Regarding enterprise's internal management mechanism, we must resolutely smash the "iron rice bowl, ironclad wages and iron armchair [lifelong tenure]" and abolish the differences between cadres and workers. The all-personnel labor contract system should apply to all workers and cadres should be put on an appointment system, so that there really can be optimal labor composition, whereby workers can be recruited and dismissed, cadres moved upward or downward, and wages adjusted according to changes in work posts and duties. Management policy, development plans, various rules and systems and reform programs of enterprises pursuing the all-personnel contracted management responsibility system, must be discussed and adopted by all workers. Main leaders of enterprises must be produced through democratic elections by the workers and we must pursue a factory manager-responsibility system under the leadership of a factory committee. In stockholding enterprises where the state is the main shareholder, we must pursue a factory-manager responsibility system under the leadership of a board of director. The board will comprise delegates from departments for management of state-owned assets and a proper ratio of workers' delegates. There must be broad consultation with workers on key enterprise policies. Whatever leadership system an enterprise may adopt, it must always rely on the working class and give play to the party's central political role in order to ensure the socialist direction in the development of enterprise reform.

Of course, enterprise reform involves the interests of many sides and reform items must be pursued in coordination, especially social security, job-waiting insurance, and other systems must be gradually set up and perfected.

Tang Fengyi [0781 0023 5030]: "Efforts Must Be Concentrated on Essences in Enterprise Reform"

Recently, the Central Committee has repeatedly pointed out that we must increase the pace of enterprise reform and the focus of the reform remains switching the management mechanism of state-owned enterprises, especially large and medium ones. It is an objective requirement for building an entirely new system in line with a socialist planned commodity economy and also an important foundation for promoting the long-term stability of the socialist system.

Deepening enterprise reform requires treating the symptoms as well as the disease. If we only cure the symptoms the illness will recur. It looks now that we must make efforts at curing the disease.

1. Many enterprise problems are products of deep-seated contradictions and can only be solved by attacking the disease. These include debt chains, low economic returns, serious hidden losses, and so on. Generally

speaking, these are not simple problems of enterprise quality or level of management; there are structural causes behind them. The problem of hidden losses, for one, is very serious. A Dalian City poll of 25 enterprises revealed over 100 million yuan in gross hidden losses as of the end of 1990. If we factored in finished-product and distributed commodity taxes and previous uncovered losses, the amount would rise to over 166 million yuan, 69 percent of their gross profits and more than three times the amount of losses on their books. Nationally speaking, the ratio between books and hidden losses is roughly 1:17. Such a problem will not be tackled by simple measures.

2. Facts prove conclusively that the contracting system currently pursued is greatly limited. The present efficiency-targeted contracting and returns-pegged wage system essentially "substitutes management with contracting" and has resulted in short-term behavior such as enterprises offering guarantees in wages, welfare, and current-term returns. This is also an important cause for book surpluses hiding real losses and increasing hidden losses. In addition, governments, driven to seek short-term "administrative performance," grant preferences such as financial refunding, lower contract targets, and cuts in taxes to help with enterprises' operation losses. This results in distorted phenomena such as "enterprises reaping surplus but not bearing the burden of losses" and benefitting from losses.

3. The switch of enterprise management system depends ultimately on two issues: One, whether the responsibility for profits and losses genuinely lies with the enterprise and, thus, is more dynamic and effective in restraint; and two, whether or not enterprises now expect to derive their interests from the market and not from the state. If there is no fundamental change in these two, the temporary measures cannot be expected to achieve genuine results and may even achieve nothing. Therefore, the genuine target of deepening reform is to vigorously tackle the basic issues while the symptoms are being treated.

Tackling the basic issues consists of the following four points:

First, get a real picture of the viability of an enterprise through capital and asset auditing. This way is to have a clear understanding.

Second, change the pattern of target contracting and step-by-step install asset contracting, the one being pursued by Shodu Iron and Steel Company, with the purpose of renewing assets and making increased asset value the first priority. We must allow enterprises to have capital-generated operation dynamics and corresponding restraints which come with owning property, in order to promote development of enterprise products, technological development, and to strengthen management improvements.

Third, change government protection for enterprises and discretionary interventions in them to cut enterprises off

from their last escape route of falling back on the state and thus "force" them toward the market.

Fourth, strengthen government substantive inspections and supervision, especially those by administrative departments responsible for asset management, earnestly pursue the rule of survival of the fittest, and implement the bankruptcy law.

Fang Sheng [2455 3932]: "Further Expand Opening Up"

A happy phenomenon in our country's economic life at present is the further expansion of opening up at a time when reform is being deepened. Compared with 10 years ago, today's opening up has the following characteristics:

First, rapid development and the appearance of a new situation. Nowadays, opening up has extended from the coastal to border areas, and from along the borders to inland provinces, signaling the "second-ladder step" of opening up. There are now prefectures and counties which have been opened up. The special economic zones [SEZ] which were the earliest to practice opening up to the outside world, are all pursuing higher goals today.

Second, many new forms of opening up have appeared. To invite new investments, Shanghai and Shenzhen issued special renminbi stock (B shares) to the overseas world in turn, thus internationalizing the stock industry. In various SEZ and Shanghai's Pudong Development Zone, foreign-capital banks are sprouting up at an unprecedented rate. In Xiamen there are now even banking towers built by foreign-capital banks. In "bonded areas," described as the "SEZs' SEZ," have been established in Shenzhen SEZ, Tianjin, and other areas. Multinational operations have seen new progress: There are now many multinational corporations, and so on.

Third, greater development in foreign economic trade relations. In foreign trade, exports have maintained a relatively high rate of growth and imports have bounced back. The export mix has continued to improve, with a notable rise and improvement in the proportion of manufactured goods in the gross export value, the number of technological export items, and export economic efficiency. There has been relatively rapid development in foreign capital employment. Both direct investment by foreign businessmen and loans to foreign countries have increased. So far, our country has established economic and trade relations with over 190 countries and regions.

The appearance of the new situation in opening up as described above is no coincidence.

First, after more than a decade of tremendous changes wrought by reform and opening up, people's minds have undergone profound changes. They have participated extensively in the international division of labor and international exchanges. The national economy has been put on a path of development which features new and close connections with the international economy.

Second, the appearance of the new situation was an inevitable result of economic structural reform. Over the last 10 years or so, we have pursued reform in economic structure, especially foreign trade structure, the foreign capital employment structure, technological import structure, and other areas concerned with foreign economic affairs; and mobilized the incentive and initiative of localities, enterprises, and concerned units to develop foreign economic relations. We have adjusted the production structure and promulgated many relevant rules and ordinances and economic legislation to attract foreign investment.

Third, international developments, especially economic development in the Asia-Pacific region, has provided favorable external conditions for our country's opening up.

Faced with the new situation of further extending opening up, one basic issue is to continue to emancipate the mind and eliminate certain ideological obstacles to the development process. The important thing here is the correct handling of capitalism in opening up to the outside world.

Zhang Zhuoyuan [1728 0587 0337]: "Sum Up Experiences, Lessons; Expedite Reform, Opening Up"

Our country is equipped with the conditions for quickening the reform pace. After three years of improvement and rectification, the macroeconomy has achieved stability and equilibrium. Inflation is now under effective control and retail price raises kept under three percent for two years. Meanwhile the economy has maintained a certain development with industrial growth rate at 14 percent in 1991 and agriculture achieving three successive good harvests. The market is prospering with abundant commodity supplies. The entire national economy has entered a stage of basically normal development. If we arrange this year's economic work according to the plans laid down at the planning conference at the end of last year, the economy will not overheat and we can continue to maintain stability. That is to say, we have a relatively easy environment for expediting reform and opening up.

We can now expedite reform and opening up because we have pursued reform and opening up for over 10 years, scoring world-known achievements and gaining rich experience and broad-based consensus between the upper and lower echelons on the fact that the only way out for China is reform and opening up. If we seriously sum up the lessons and experiences of the years of reform and opening up, absorb other countries' lessons and experiences in reform and opening up, adhere to successful practices, and correct past inadequacies or mistakes, our reform and opening up will certainly score greater achievements.

I believe that, for now, at least the following successful and most realistic experiences and practices exist:

First, reform must be market-oriented. Market-oriented reforms in socialist countries are planning-guided and subject to macroscopic control and they must gradually

expand the scope and proportion of market regulation and allow market mechanisms a larger role. Planning work also must respect the laws of value and market.

Second, firmly uphold gradual reform, which is better for coordinating interest relationships between various quarters and good for a stable transition toward the new system.

Third, reform must proceed in coordination. We must not pursue single-item breakthroughs, nor can we work for immediate, at the expense of long-term, stability. Therefore, we need to carefully design scientific arguments and conscientiously implement them.

Fourth, we must seize reform opportunities. When times are right, we must be bolder. The pursuit of the agricultural contract responsibility system on a household basis with remuneration linked to output in 1979, the price deregulation of a large number of agricultural products in 1985, the export trade structural reform in 1991, and the renminbi exchange rate adjustments since 1989, are all successful moves which promoted reform by seizing the opportunity.

Of course, while we should quicken the reform and opening up pace, we must also prevent partial pursuit of high-rate economic growth to avoid overheating the economy. Therefore we must still pursue relatively stable and sound macroscopic economic policies.

Zhong Pengrong [6988 2590 2837]: "Solution of Two Great Problems Are Required for Deepening Reform"

The most critical thing in deepening reform, I believe, is the solution of the following two major problems:

1. Go a step further and unify people's thoughts with the criteria of practice and productive forces. Upholding the practice criterion means that, in determining the truth of a certain thing and whether or not we want, we "rely not on books nor the will of the superior ranks, but the truth." However, there may be different views on the same "truth" owing to different standards of judgment. For instance, pursuit of the agricultural contract responsibility system resulted in vast increases in agricultural production. While most of the people praised it as a "very good move," some saw it as "very lousy move." Obviously, the "truth" standard used in the former judgment was the "production force standard," while in the latter it was the "production relations standard." Thus, without an explicit establishment of production force as the standard, resorting only to practice and facts will not resolve the problem of unifying ideology. The success of the agricultural contract responsibility system was a victory for practice as well as the production force standards. At present, to deepen reform, we must similarly use the practice and production force standards to unify people's ideology. Otherwise, debate arising from employment of different judgment standards will waste good opportunities for reform and the debate itself is devoid of conclusion.

2. By properly expanding investment scale, we shall provide work posts for redundant staff at various units. At present, the main physical obstacle to enlivening enterprises and deepening reform is the "three redundancies": Redundant enterprises, redundant organs and associations, and redundant staff at each unit. Without cutting redundant enterprises, financial subsidies, banks' "stability and unity loan" and debt chains created by these enterprises will not reduce, preventing bankruptcy pressure on other enterprises. Without redundant organs and associations, and redundant staff at general organs and associations, financial costs for maintaining staff will not come down and it will be difficult to resolve the problems of organs shirking responsibilities among themselves and low work efficiency. Without cutting redundant enterprise staff, it will be difficult to cut product costs and mobilize workers' incentive. In order to get rid of the "three redundancies," we must find new jobs for these people and, to this end, we need to properly expand the scale of investment and curb the consumption increase rate to create "rice bowls" for redundant staff and the increasing number of new unemployed persons. Without addressing this problem, reformist measures such as enterprise bankruptcy, trimming organs, laying off workers, and so on will only be plausible in theory but never workable in practice.

For the two great problems described above, if we resolve the first, we will have eliminated the major ideological obstacle against deepening reform; if we solve the second, we will have solved the major material obstacle against deepening reform.

Part 2

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["Emancipate the Mind, Deepen Reform, Broaden Opening Up—Excerpts of Speeches at Symposium of Some Economic Theorists in Beijing"]

[Text]

Dong Fureng [5516 6534 4356]: "Opening Up Land Market is Imperative"

Recently, I was away from Beijing, inspecting the implementation of the "Land Management Law." This experience has deeply convinced me that there is room for reform in the land management system. Problems are manifold in this respect. Two of them are prominent, namely, the problem of the land property right and that of land market.

The land property right in our country seems to be quite clear-cut: The land in urban areas belongs to the state and most of the land in rural areas is owned by collectives. In fact, the land property right is very ambiguous. Take urban land for example. The state-owned land is allocated to various units for use. Though the land remains the property of the state, the state right to the land is nominal. The units which occupy the state land

cannot only use it but also barter it for something else. For instance, they may team up with other units to build living quarters and then reap the fruits, whereas the land-owning state has nothing to gain from the land.

Land has never been acknowledged as a commodity in our country. Since land is not a commodity, it cannot be bartered as a commodity, hence no market or market price to speak of. However, everybody knows the importance of a rare and undersupplied resource like land, therefore an "invisible," that is underground, land market has emerged: Buying and selling of land is going on secretly. The "invisible market" of land often causes the waste of land resources and gives rise to various unhealthy tendencies. For instance, in some SEZs, whoever is so well connected and capable as to get hold of a plot of land gratis or cheaply can make staggering profits. The land there is sold and resold many times until the price becomes very high. The resultant profits mostly go into the pockets of some companies or even individuals, leaving nothing for the governments. In some rural areas, land is used in setting up joint-venture enterprises with other units or foreign businessmen and it is evaluated for purchase of shares. Because there is no land market or market price of land, the land price is often too low, incurring enormous losses and big waste of land.

Without a land market, government organs cannot or do not know how to obtain funds by utilizing land resources through the market for the purpose of economic development. For instance, in some SEZ's, large plots of land were once transferred to foreign businessmen for plot development, with a view to attracting foreign investment in new enterprises. True, transferring the right of land use for plot development is desirable, but it is not worthwhile to give foreign investors a large plot of land at one go. Rather, we should first give one plot of land. After this plot is developed, the price of the land around it will go up, so we can give away another plot of land. This gradual process will give the government more profits from the land than transferring a large plot of land at one go, and the government can accumulate more funds. In some localities, the right of land use is transferred by auction. This is a good method. This is a way of trading in land through the medium of market.

As far as the conditions in various localities are concerned, it is imperative to create a land market and to establish and develop an open land market. Only by so doing can we put an end to the underground land market, form balanced market prices that reflect the supply and demand of land and the extent to which it is undersupplied, and promote the rational flow of land resources and the optimization of land distribution. By developing state-owned land market, the state can not only collect taxes from the market trade of land, but also reap profits from the increment of land as the land owner. In order for the land market to develop healthily and operate normally, reforming the land property right system and clearly defining the land property right is the precondition.

Chen Wentong [7115 2429 6639]: "Establishing New System of Planned Commodity Economy"

The fundamental task in deepening the reform is to, in light of the realities in the initial stage of socialism in China, establish a new system of planned commodity economy and make the manifestation of public ownership compatible with commodity economy. Reform is the improvement and development of the socialist production relations by socialism itself. Its essence is to change the previous practice of transcending developmental stages in production relations so they are geared to the objective requirement of the current productive forces. The socialism in our country is not a developed socialism, or, in Comrade Xiaoping's words, is an "unqualified" socialism. The evolution from a semicolonial and semifeudal society to as high as the first stage of communist society envisaged by Marx has to go through a series of intermediate links and transitional forms. In this process, it is necessary to acknowledge compatibility as well as exclusiveness. We must explore the special law governing the development of socialism in a backward country, under the guidance of the principle of scientific socialism.

We have scored tremendous achievements in our reform, but the problems in the original system are far from being thoroughly solved. The solution lies only in deepening the reform. We must courageously seek truth from facts and proceed from the objective of developing productive forces; courageously emancipate the mind and take risks. Today's outstanding problems are: At the microeconomic level, enterprises lack both the motive force for seeking exchange value and the binding force which dictates that they take responsibility for themselves; at the macroeconomic level, the imbalance in the economy, frequent fluctuations, self-expansion of total supply and total demand, and the lopsided economic structure have all become persistent problems. The ultimate reason is that the government-run economic pattern has not been thoroughly changed: The various links in then state economy are carved up among departments and regions; the administration is monopolizing the economy; the function of ownership is one with the function of macroeconomic management; the government administration is not separated from enterprise management; enterprises have not truly become commodity producers which enjoy autonomy of management, assume sole responsibility for gains and losses, exercise self-restraint, and seek development on its own initiative; workers have not truly become the masters of enterprises in an economic sense. This system is in no way required by socialism itself, still less by the development of the productive forces.

Practice has proved that merely separating the local authority from the central authority or merely separating the enterprise interests from the state interests cannot solve the problem once and for all. It is for no other purpose than to give play to the positive role of the market mechanism that "pushing enterprises into the market" has been proposed. In fact, once enterprises

become commodity producers, they would enter the market on their own accord. We must smash the "three irons and one big mess pot." But as long as enterprises remain the appendages of the departments they are accountable to, it will still be difficult to smash those things. Therefore, the reform should mainly be deepened at the following three levels: First, at the level of the state government, it is imperative to change the situation wherein administration is not separated from economic operations, the management of property right is not separated from macroeconomic management, various economic functions are not separated, financial operations and banking are weakened, and the ownership by the whole people is carved up among departments and regions by administrative means. Second, in the relationship between the state and enterprises, it is imperative to give enterprises the right to handle their own affairs through the separation of two rights and that of enterprise management from government administration, and strengthen the restraint of property right. Third, inside the enterprises, it is imperative to practice possession by all, work from all, and democratic management. In a nutshell, the key to deepening the reform is to turn enterprises into the principal part of the market and change the functions of the state and government. Only by so doing can we establish a new system of planned commodity economy.

Huang Zhenqi [7806 2182 1142]: "Deepening Reforms of Macroeconomic Management"

Many-faceted reforms have been carried out over the past dozen years, which have led to some successes. But the steps taken are not big enough and the microeconomic reforms are not well matched by macroeconomic reforms, the latter lagging behind the former to some extent. This has caused lapses in macroeconomic management within a certain period and certain scope. Now, when the entire economic structural reform is speeding up, we should conscientiously sum up the positive and negative experiences in macroeconomic reforms and handle correctly the relationship between macroeconomic reforms and microeconomic reforms. It is of special importance to expedite the reform of macroeconomic management, centering around the key issue of improving large and medium state enterprises.

An outstanding issue in the current reform of macroeconomic management is the change of functions of macroeconomic management departments. The change of the operating mechanism of enterprises and the change of the functions of macroeconomic management departments are complementary to each other. As far as macroeconomic planning and management are concerned, it is necessary to, according to the principle of integrating planned economy with market regulation, do a good job of the change of functions in the following areas: from predominantly taking care of the economy under ownership by the whole people to taking care of the economic activities of the entire society; from predominantly distributing investment, approving projects, and setting targets, to doing research on and formulating

the strategy for economic and social development as well as major principles and policies; from predominantly paying attention to the management of production and investment plans to paying attention to both the management of production and investment plans and that of circulation, distribution, and consumption plans; from management predominantly in kind to management predominantly in value; from direct management through mandatory plans to indirect management through guidance plans; from exercising control predominantly through macroeconomic plans to integrating regulation and control through macroeconomic plans with the function of serving enterprises and market operation, that is, doing a good job of information and consultation service.

In the reform of macroeconomic management, it is necessary to create conditions for promoting market development and improving the market system. Market is an important component of our new economic system and operating system. The cultivation and development of the market also takes some time. Nevertheless, the development of our economy does not allow us to sit back and just wait for the evolution of the market in its own course, and we should not do so anyway. Instead, we should promote the development and improvement of the market through scientific macroeconomic management and macroeconomic reforms. The following are the things that call for immediate attention: 1) Maximum freedom should be given to the production and circulation of the ordinary goods that the state should not concern itself with, so the enterprises can be brought into the market. 2) It is necessary to take advantage of the fact that the current total demand and total supply are basically balanced to deepen the price reform and, in particular, adjust the prices of basic industries and basic products. 3) It is necessary to strengthen the construction of the basic facilities required by the market growth, such as communications, post and telecommunications, ports and berths, and storage facilities. 4) It is necessary to gradually formulate management regulations and market laws that standardize the normal operation of the market, to match the growth of the market. 5) It is necessary to pay attention to the training of people capable of having the market well in hand.

In the current reform of macroeconomic management, it is also necessary to further straighten out the relationships among such macroeconomic management departments as planning, finance, and banking, and do a good job of the comprehensive macroeconomic management. It is necessary to further sort out the relationship between the central authorities and local authorities and do a good job in split-level management.

He Wei [0149 0251]: "A Few Thoughts on Deepening Reform"

The tasks for improvement and rectification in China have been basically completed. The focus of future work should be shifted to reform. The purpose of reform is to

consolidate the achievements of improvement and rectification and continue to accomplish the unaccomplished tasks in the course of improvement and rectification. The following issues, which are to be tackled now, entail the deepening of reform: 1) invigorating large and medium enterprises requires the reform to be deepened; 2) enhancing economic efficiency of enterprises and increasing revenues makes reform necessary; 3) readjusting the industrial structure and product mix making reform necessary; 4) developing and improving the functions of market and establishing the mechanism of macroeconomic regulation makes reform necessary; and 5) perpetuating social stability and unity makes reform necessary. In a word, it is imperative to deepen the reform in order to narrow the gap between China and developed countries, accomplish the second-step strategic goal, and give full play to the superiority of the socialist system. In this regard, we should have a sense of urgency.

The key to deepening the reform is to separate enterprise management from government administration, sever the right of operation from ownership, and reform the entire old economic management system. Without separating enterprise management from government administration and severing the right of operation from the ownership, it would be impossible to cure the self-shrinkage of the state economy, cultivate the market, form the mechanism of macroeconomic regulation, or redress the distorting effect of the economic levers. In the meantime, it would also be impossible to form the self-regulating mechanism for the industrial structure, enterprise structure, and product mix, or avoid the cycle of deflation-inflation-deflation. Therefore, we should grasp the key link in deepening the reform. Only when this is done can we make big strides.

In separating enterprise management from government administration, I think the following issues should be highlighted:

1. It is necessary to change the government from the owner of property to the owner of funds so it becomes the creditor or shareholder; or to change the state investment in enterprises into bank loans, which is called "investment changed into credit" so enterprises will stop being subordinate to the government and they can maintain an equal economic relationship. Apart from the liability for tax payment to the state, enterprises only have to pay profits to the creditor according to the credit interest rate.

2. It is necessary to change the management system that is carved up among departments and regions, form a unified market, and bring the law of competition into play.

3. It is necessary to change the administrative control of the government into macroeconomic control and spare no effort to utilize the regulatory mechanism of planned commodity economy to reach a basic balance between supply and demand.

4. It is necessary to establish laws and policies that conform to the planned commodity economy, establish various rules and regulations, and set up relevant organizations and institutions to supervise and examine the implementation of some government stipulations and form a new order and new system that comply with commodity economy.

Guo Zhenying [6753 2182 5391]: "Conscientiously Implement Policies, Measures for Running Enterprises Well"

At present, some large and medium state enterprises lack vitality, are inefficient, and do not have enough stamina for development. This has become a big headache for the development of national economy. A major approach to this problem is to deepen the enterprise reform and change the operating mechanism. Specifically speaking, it mainly requires further implementation of the "Enterprise Law" which has been promulgated and the 20 measures for boosting enterprise vitality put down at the central work conference last September.

The Enterprise Law is a basic law for safeguarding the legitimate rights and interests of enterprises, standardize their behavior, standardize the management functions of governments at various levels, and promote the change of their operating mechanism. Since it was promulgated over three years ago, it has been playing an important role in expanding enterprise autonomy and changing their operating mechanism, and has also ended the obscurity of the legal status of enterprises in our country, thus bringing the enterprise management of our country into the orbit of law. But its implementation does not measure up to expectations. The following are the chief reasons: The first is the problem of understanding. The understanding of some issues related to the Enterprise Law is divided. These issues include the separation of the right of operation from the ownership, the separation of enterprise management from government administration, and the relationship between party leadership and government administration. The second is the problem with the policy-created environment. Some macro and micro policies fail to dovetail with the "Enterprise Law" or even contradict it. This naturally leads to difficulty in implementation. The third is the problem with the "Enterprise Law" itself. Some of the statements therein are not very scientific and some stipulations are not clearly defined and lack operativeness. At the moment, some relevant state department is formulating detailed rules and regulations for implementing the Enterprise Law, with a view to solving these problems.

The 20 measures were proposed in the spirit of the Enterprise Law and in light of the actual conditions. They have been well implemented over the past four months or more and some achievements have been reaped. However, the development is unbalanced, because of the following major problems: First, some enterprises are still not very confident and think that the departments they report to are dilatory in implementing the policies; second, some localities step beyond the state

stipulations and open up new channels for reduced tax payment and concessional profit delivery; third, some localities pay sole attention to "blood infusion" for enterprises to the neglect of urging them to change the mechanism; fourth, it is encouraged to draw inspiration from the operating mechanism of partially or wholly foreign-funded enterprises only, to the neglect of drawing upon the experience of advanced state enterprises, causing ideological confusion. These problems should be carefully studied and substantially redressed.

Wu Zhenkun [0702 2182 0981]: "Embark on New Approach to Opening Up"

Today's world is an opening world and opening up has become a world trend of the present day.

Opening up in our country is an objective requirement of socialist economy. Socialist economy is planned commodity economy. Commodity economy is by nature an open economy. Today, when opening up has become a world trend, socialist economy cannot seek development independent of the world market. A socialist country should also make use of the scientific and cultural achievements of capitalism to speed up its socialist construction. Our country is now in the initial stage of socialism and faced with many difficulties and conflicts, therefore requiring opening up even more urgently. Opening up is a necessary condition for realizing modernization in our country.

It is based on the above understanding and in light of international and domestic historical experiences as well as our national conditions that our party has set opening up as a long-term state policy of China.

The 1990s is a crucial historical era in the economic development of our country. The dramatic changes in East European countries and the disintegration of the Soviet Union are urging us to boost our economy as soon as possible, upgrade it into a new stage in a short time, and increase the comprehensive economic strength of the country. This requires us to free our mind more, be bolder, blaze new ideological trails in the opening up process, and make new steps. We should put most of our effort in "all dimensions, varied forms, and multiple levels."

Our opening up is all-dimensional, and directed to all countries and regions. Besides continuing to expand the economic contacts with those countries and regions with which we have connections, our country has been actively developing economic relations with other countries and opening up new fields.

Our opening up takes varied forms, which mainly include foreign trade, utilization of foreign investment and making investment abroad, import and export of technology, contracting foreign projects, or cooperation, and international tourism. The key point at which we are making new steps is opening up. We should utilize more foreign investment, import more advanced technology and management experience and

methodology from abroad, use them boldly, and make them serve the building of socialism with Chinese characteristics. In the meantime, it is necessary to further develop international labor cooperation and international tourism, in which we have our advantages. We should give maximum play to these advantages.

Our opening up is going on at many levels. A basic pattern of opening up has been formed, characterized by what is called a "point—line—small area—large area" structure, that is, from SEZs to open coastal port cities, coastal development zones, and the vast hinterland. It is necessary to further the opening up process at all these four levels. The basic requirement is to create more favorable conditions that can attract foreign investment. In particular, the vast hinterland and frontier regions should make new steps forward in opening up.

Du Yan [2629 1484]: "Place Deepening of Circulation Reform in Important Position"

The reform of circulation is an important component of the entire economic structural reform and an objective requirement for establishing a new socialist economic system. In a sense, the new system we are going to set up actually consists of four aspects, namely, enterprise reform, circulation reform, macro regulation and control, and social security. One may also say that the new system is supported by the four pillars, each one of them being indispensable. Therefore, it is imperative to put the deepening of the circulation reform in an important position.

We should set about deepening the circulation reform in the following respects.

1. Making energetic efforts to develop the circulation industry. The circulation industry is a major form of the tertiary industry. In the 1990s, the proportion of industry belonging to the tertiary industry should increase from today's one-fourth to one-third. In developing the circulation industry, it is imperative to uphold the principle of taking public ownership as the main body and bringing development to all economic sectors.

2. Expediting the pace of changing the operating mechanism in the circulation enterprises. Changing the operating mechanism in the circulation enterprises is the focus of the reform of the circulation system. This change requires comprehensive implementation of the enterprises' right of operation and management so as to enable the enterprises to enjoy their legal autonomy in operation, pricing, employment, distribution, investment, and institutional setup. In the meantime, the departments responsible for circulation must take pains to change the government's management functions. If this problem stayed unresolved, enterprise autonomy would only be empty talk. Naturally, however, the relevant government departments should also make efforts to create more relaxed external environment and conditions for enterprises.

3. Actively cultivating and building the system of commodity markets. These markets include: Various primary markets, regional wholesale market, and central wholesale market. In the market development, it is imperative to proceed from the reality of developing commodity economy and guard against everybody doing the same thing at the same time, let alone taking advantage of the market development to start capital construction. In the meantime, we must guard against the renewed tendencies of carving up regions and departments. In cultivating and developing the market, it is imperative to develop and perfect market laws and regulations, strengthen the supervision and management over the market, and explore new management methods that go with the ever expanding market regulation, so as to avoid the relapse of the problem of "disorder after relaxation, stagnation after control."

4. Expediting the reform of supply and marketing cooperatives. Supply and marketing cooperatives are the main channels for commodity circulation in rural areas. If the main channels are not unobstructed, it will be difficult to truly enliven the circulation of agricultural products. In deepening the reform of supply and marketing cooperatives, it is imperative to: define the nature of ownership by the local people, so that they truly become the cooperative economic organizations collectively owned by the peasants and become the common bodies of peasants' interests; further improve the mechanism of free operation and assuming sole responsibility for profits and losses, so they can enjoy more sufficient operational autonomy; further improve the organizational system of the collective economy and give better play to the overall advantage of supply and marketing cooperatives.

The reform of circulation covers a wide range. It is not only closely related to the enterprise reform, macro regulation and control, and social security, but directly concerned with production, construction, and the people's livelihood. It also involves the economic interests among regions and departments. This calls for efforts to strengthen the coordination in the reform, handle well the interest relations among various quarters, push ahead with the development of macromarket and macro-circulation, and truly effectively break regional blockade and departmental division, so that the reform of circulation can go ahead in conjunction with other reforms.

Zhu Mingchun [2612 2494 2504]: "Attention Should Be Given to Distribution System Reform"

The reform is, by nature, bound to involve the readjustment of economic interest relations. Deepening the economic structural reform entails close attention to the issue of distribution system. A rational system of national income distribution should contain an incentive mechanism, a fair play mechanism, and an accumulation system. However, because of the serious non-standardness in the reform, there are big weaknesses in

the formation of the fair-play mechanism of competition and accumulation mechanism, which are both crucial to the economic development.

The nonstandardness of the existing system of national income distribution is, in the first place, detrimental to the formation of the fair-play mechanism of competition. As far as the relationship between the state and enterprises is concerned, there is much room for bargaining in the contract system. The nonstandardness of such a system itself gives rise to defacto inequality among enterprises. As far as the relationship between the central authorities and localities is concerned, the unequal competition is also hard to avoid between the different forms of financial contracting in the localities. The irrationality of the pricing system and the price relations restricts, from the root, the rationality and standard of the distribution system. It is the nonstandardness and the consequent competition on an unequal footing that lead to the repeated occurrences of various forms of "lease-hunting [xun zu 1416 4-36]." Therefore, the impulsive urge to have bigger shares of the cake grows far beyond the motive force for making a big cake.

Another defect of the existing system of national income distribution lies in its nonaccumulation, that is, the system encouraging economic surpluses to tilt in favor of personal income and the consumption fund, instead of going into accumulation and expanded reproduction. This is extremely harmful to such a developing country as China, which suffers from shortage of funds. At present, the transfer of economic surpluses is indeed accountable for the lowly economic efficiency to a considerable extent. In terms of the entire national economy, the ratio of input to output is probably not as bad as reflected in such indexes as profit delivery and tax payment, but the crux of the matter is that this distribution system is not conducive to the accumulation of enterprises or the development of their productive activities.

From a microeconomic or macroeconomic point of view, the problem with the system of national income distribution has become an enormous obstacle on the way to further straightening the economic relations among various parties. The basic principle of reform should be: while establishing a strong economic incentive mechanism, setting up a mechanism of fair-play competition and a strong accumulation mechanism, and encouraging the enterprises to seek maximum rational interests in the course of creating wealth, which is likened to making a big cake. Theoretically speaking, the basic intellectual approach to the reform of distribution system is clear, that is, on the basis of the reform of state enterprises' property system and the stocktaking, handling the distribution relations between the state and enterprises by way of separating taxes from profits; on the basis of rational division of authority over undertakings and the further realization of rational tax structure, handling the distribution relations between the central treasury and localities.

At present, the crucial point in the reform is to be bold enough to touch the existing pattern of interest distribution and create conditions for these two major reforms in a down-to-earth manner. But in drawing up the plans, we should handle well the relationship between the short-term objective of interest redistribution and the long-term objective of establishing a standardized new system; make a point of avoiding the tendency whereby the reform of system gives in to the short-term objective prescribed in the policy. We should not only dovetail it with the actual conditions but also, more importantly, guarantee the standard and rationality of the structural reform and make contributions to the once-and-for-all establishment of a system of national income distribution which conforms to the development of the planned commodity economy.

Finance Ministry Issues 1992 Treasury Bonds

OW2503141392 Beijing XINHUA Domestic Service
in Chinese 0248 GMT 25 Mar 92

[Text] Beijing, 25 March (XINHUA)—The Ministry of Finance today published a public notice on the sale of the first issue of treasury bonds for 1992. The full text of the public notice follows: The sale of the first issue of treasury bonds of 1992, in accordance with "Regulations of the People's Republic of China on Treasury Bonds," is hereby announced as follows:

1. The first issue of treasury bonds of 1992 (hereafter referred to as first-issue treasury bonds, for short) totals 10 billion yuan, with a maturity of five years and an annual interest rate of 10.5 percent. The interest will begin on 1 April 1992 and be paid on a lump-sum basis on 1 April 1997, without being compounded.
2. The first-issue treasury bonds will be in the denomination of 50 yuan, 100 yuan, and 500 yuan.
3. The sale of the first-issue treasury bonds will begin on 1 April and end on 31 May. After 1 June, they can be purchased through state-approved agents.

Fujian Reforms Target Enterprises, Opening Up

HK2603042092 Beijing RENMIN RIBAO in Chinese
8 Mar 92 p 4

[Dispatch by staff reporters Jiang Baozhang (3068 1405 4545), Li Gang (2621 0474), and Pan Yan (3382 8698): "Fujian Formulates Measures for Deepening Reform"]

[Text] The Fujian authorities consider the transformation in further inspiring the people and improving the functions and work style of leading organs an important task. Chen Guangyi, Fujian Provincial CPC Committee secretary, stressed on 5 March that Fujian Province must strive to realize the objectives for the period ahead by boldly blazing new trails, working with creativity, and speeding up the pace of reform and opening.

First, administrative power will be delegated to lower levels and leading organs' administrative functions will

be transformed. From this year onward, the policy of separating government administration from enterprise management will be enforced in Fujian Province in a full-scale manner. The government's functions of serving the people and exercising indirect regulation will be highlighted, and administrative power will be delegated to lower levels to the greatest possible extent. Second, the enterprise reform will be deepened and the operating mechanism will be transformed, the central objective being to resolutely plunge enterprises into the domestic and international markets. In addition to the continuous improvement of the management responsibility system, with the contract system as its main form, reform will be thoroughly carried out in state-owned enterprises across the province, large and medium backbone enterprises in particular, to achieve the following objectives: Entrusting enterprises with full responsibility for their own management decisions, letting them assume full responsibility for their own profits and losses, and enabling them to develop on their own initiative and practice self-restraint. Enterprises will become real socialist commodity producers and traders enjoying decisionmaking power in setting up their own organizational structures, recruiting cadres and laborers, paying wages, and managing their own finances. Meanwhile, it is necessary to select some state-owned industrial enterprises to implement certain preferential policies that

were originally designated for foreign-invested enterprises. Third, measures will be taken to accelerate financial restructuring, expand sources for fund-raising, vigorously develop the stock market, and introduce more pilot projects for experimentation in the joint-stock system. Fourth, it is necessary to properly carry out a full range of supporting reforms, improve the external environment for enterprise operation, and develop and perfect the social security system by implementing the system of social insurance for the unemployed and pensions for the aged. Meanwhile, it is necessary to take the initiative in paving the way for the deepening of enterprise reform through vigorous reforms in such areas as planning, finance, taxation, foreign trade, labor, material supply, price, and housing. Fifth, it is necessary to widen the scope of opening, accelerate the development of large tracts of land, and step up the construction of infrastructure and a batch of key projects; broaden the areas for foreign investment, actively pave the way for the inflow of foreign capital for the development of key projects, and draw in foreign funds to boost tertiary industry, particularly in such areas as finance, communications, and commerce; take the initiative in properly handling Taiwan affairs, unremittingly enhance economic and cultural exchanges and cooperation between Fujian and Taiwan, and facilitate the early establishment of direct transport, trade and postal relations as well as bilateral exchanges; and vigorously develop trade along interprovincial borders, introduce more flexible policies, and allow the application of certain flexible policies to interprovincial border trade.

Central-South Region

Commentator Calls for Carrying Out Policy

HK2603020892 Guangzhou NANFANG RIBAO
in Chinese 13 Mar 92 p 1

[Commentator's article: "Key Lies in Implementation"]

[Text] Our province's great policy of opening wider to the outside world and accelerating the pace of economic development has been formulated, the objective struggle defined, and the magnificent blueprint worked out. The prospects are inspiring and the masses high-spirited and vigorous. The key now is that our leading comrades at all levels must concentrate their energy and stress implementation.

The masses judge us mainly by our practice. Implementation means that every aspect of the work of opening wider to the outside world and accelerating the pace of economic development must be done in a down-to-earth manner until achievements are made. The plan, however good it may be, and the blueprint, however magnificent it may be, are merely like armchair strategists and are empty talk if they are not implemented. What is the use of them? Which one of the achievements have not been scored by our province on the strength of hard work since the policy of reform and opening up was implemented? To achieve the well-off standard and to catch up with the level of the moderately developed countries in advance in the coming 20 years, we must also rely on hard work. If we enhance our sense of intensity, further emancipate our minds, and work hard, we shall stand a very good chance of success at our cause.

To grasp implementation vehemently, we must grasp it firmly and solidly. If we grasp it, but not firmly, it is tantamount to not grasping. We must have tenacity and unrelentingly work hard.

What do we mainly grasp while grasping implementation? We must grasp the key to pushing economic development forward. Relying on scientific and technological progress and further emancipating and developing the productive forces are the key to enhancing the economic standard and economic results of our province and increasing its speed and staying power. We must firmly grasp this key, centered on economic construction—the center. We must use our main energy on scientific and technological progress and the improvement of the laborers' quality. The No. 1 men of the party and government organs at all levels must personally develop the first productive force and really do every aspect of specific work to make scientific and technological progress. The party and government organs at all levels must repeatedly inspect every aspect of work according to the demands of the provincial authorities. While stressing the speed of development, we must stress economic results so that we can maintain comparatively good economic results at the high speed of development.

To grasp implementation vehemently, we must change our style of work. Cadres, particularly leading cadres, must go deep into realities and the masses and go to the frontline of production and work to conduct investigation and study. They must solve the practical problems that are discovered on the spot. They must give guidance according to the specific situation. At present, it is necessary to stress the building of the cadres' style of work. In recent years, a bad phenomenon of formalism has existed in some places and departments of our province. For instance, there are excessive documents, excessive meetings, excessive social intercourse, excessive inspections, assessments, and comparisons, excessive celebrations, and so on. The bad phenomenon of formalism like these makes cadres, particularly leading cadres, busy with routine work and unable to go deep into realities very well. The masses are extremely unsatisfied with this. It is imperative to enable every cadre to know that formalism is harmful and must be eliminated. The leadership organs must take the lead in combating formalism. Grasping implementation is a matter of style of work, a matter of the method of work, and a matter of the leading cadres' sense of responsibility. With a spirit of great responsibility to the masses, the cadres at all levels must work conscientiously and do practical and good things for the masses.

To grasp implementation, it is necessary to mobilize and rely on the masses. We must turn the principle and policy of and measures for opening wider to the outside world and accelerating the pace of economic development into the practical actions of the cadres and the masses. When the leading cadres go deep into the grass-roots units, they must both get rid of worries and resolve difficulties for the grass-roots units and consult with the grass-roots cadres and help the grass-roots units ascertain ideas, work out measures, and find a method. We must respect the initiative of the masses and be good at summing up, enhancing, and popularizing the fresh experiences created by the masses in the course of reform and opening up. After the enthusiasm of the cadres and the masses is fully aroused, implementation can be ensured.

Today, the burdens on our shoulders are very heavy and our responsibilities very great. To achieve our great objective, we must be even firmer and forge ahead in a still more down-to-earth manner!

Guangzhou Policy Allows More Foreign Investment

HK2603054892 Beijing CHINA DAILY in English
26 Mar 92 p 2

[By staff reporter Xie Songxin: "Guangzhou Vow on Opening Wider"]

[Text] Guangzhou—The municipal government has promised more opportunities for foreign investment in Guangzhou.

The pledge, by Wang Deye, director of the Municipal Commission for Foreign Economic Relations and Trade,

was one of the latest policy announcements here following Deng Xiaoping's January trip to Guangdong Province. Deng initiated China's economic reform and open policy in the late 1970s, and Guangdong was the pioneer.

Wang's promise includes giving overseas investors access to the service industry and banking sectors, and permitting foreign-funded firms to issue bonds and stocks in the city.

A local government official said the new policy, with its theme of using more foreign funds to assist the booming local economy, represents a complete change from the previous tight lid kept on foreign investment in nonmanufacturing projects.

It will help Guangzhou to cultivate more capital sources abroad and offer investors new chances to invest in the Chinese market.

However, the chances of the government approving hotel investment are remote since Guangzhou already has more hotels than it needs at present, the official said.

The loosened control will be for projects that may promote development of Guangzhou's suburban counties and development zones, improve the investment environment and make people's lives easier.

The official said that the most likely projects will be foreign bank branches, trust firms and real estate development.

The city is negotiating with three foreign banks and two Chinese-funded banks in Hong Kong. But the official said the People's Bank of China, the central bank, will have the final say in deciding which will be allowed to open a Guangzhou branch.

The Chinese Government has not allowed foreign banks to have branches in the country except in special economic zones and a small number of cities including Shanghai and Guangzhou.

Overseas investors signed contracts in the first two months of this year to invest a total of \$400 million in 160 projects in Guangzhou, capital city of Guangdong.

The figures represented an increase of more than 90 percent in investment and a quadrupling of the number of projects compared with the same period of last year.

Guan Guangfu Urges Supporting 3 Gorges Project

HK2503132692 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 21 Mar 92

[Excerpt] Provincial party committee Secretary Guan Guangfu conducted investigations and studies in Yichang 17-20 March. He advanced important views on building up Yichang, promoting opening and development of the Chang Jiang economic development strip, and, in particular, serving and supporting the construction of the Three Gorges project.

Zhong Shuqiao, member of the provincial party committee standing committee and head of the organization department, and Wang Hanzhang, vice chairman of the provincial people's congress standing committee joined the inquiry team.

Guan Guangfu said: Our current trip to Yichang to make investigations was designed by the provincial party committee to express appreciation of the Three Gorges project, support the construction of the project, and study ways to seize the excellent opportunity to build up Yichang, to comprehensively promote opening and development of the Chang Jiang economic development strip, and to link various parts along the river.

The fifth session of the seventh NPC [National People's Congress], which is now in session, will deliberate the motion on the Three Gorges project. Yichang is where several state key projects are located and also a base of water resources rarely found in the world. An eye-catching change is to take place here in the next 20 years. We must gain a full understanding of and pay great attention to the important role of Yichang in Hubei's economic development and work hard for large-scale opening and large-scale development.

We have investigated several localities and units in Yichang during our current trip. Their achievements made us happy and feel encouraged. In Yichang everyone was eager to see the Three Gorges project start, was making preparations for the project, and was ready to contribute to the project. The construction of the (Dongshan) development area and the (Jiaoting) development area started under difficult conditions. Both their spirit and experience are highly commendable. As a whole, Hubei witnessed fairly rapid economic development in the 1979-1988 period in the wake of the Third Plenary Session of the 11th CPC Central Committee. During the three-year period for economic improvement and rectification, we also made new progress in economic construction. The nine development areas were set up in this period. We accomplished the tasks of economic improvement and rectification as well as engaged in opening and development. Through several years of hard work, we have laid a foundation to some extent and accumulated experience. Based on this experience we have tried to develop the economy through setting up development areas. This practice is to produce much greater scale efficiency [as heard] than building individual projects. Hubei has now a definite development plan on hand. In the Triangle Area in east Hubei, through which the Chang Jiang flows, there are Huanggang, Ezhou, and Huangshi open and development zones; in the central east area along the Chang Jiang, there is Wuhan as the dragon head of opening and development; and in the western area along the Chang Jiang there are open and development zones with Yichang as the key point, all these forming a 1,000 km across-province Chang Jiang economic development strip with its eastern section including Pudong in Shanghai and its western section linking up with the Three Gorges. This is a major project and a major

pattern. We must seize the opportunity offered by the new central guidelines, keep an unyielding grasp on economic construction, our central task, increase the content of reform, and accelerate opening. We should further free ourselves from old ideas, act bolder, take faster steps, and take more practical measures to make a success of the economic development strip and stimulate economic development in other parts of the province.

Guan Guangfu stressed the importance of providing service and support for the Three Gorges project. He said: In building socialism, we should build a number of key projects that will bear on the country's destiny. With these projects we will be able to increase our national might and build up greater power for sustained economic development. As a result we will stand rock-firm amid great storms. The Three Gorges project will play a comprehensive, major role in preventing floods, generating electricity, and navigation and is of great economic, technological, political, and social importance.

Guan Guangfu went on: Since the major dike of the Three Gorges project will be built in Hubei, Hubei will be the greatest beneficiary. What attitude should Hubei's cadres and people adopt toward the project?

1. We should mobilize the people of the whole province to serve and support the project. This is our first and foremost duty and task. We should enthusiastically and earnestly make due contributions to this great project.

2. While supporting the project, we are offered a golden opportunity. We should seize the opportunity to do a good job in providing service and developing ourselves.

When talking about how to support the Three Gorges project, Guan Guangfu said: In the past we repeatedly supported the state in building key projects, which constitutes our glorious tradition, and accumulated a wealth of experience in this respect. In this new historical period, however, we have to meet new requirements under the new situation. We should carry on our glorious tradition, work hard, and correctly handle the relations between overall and partial interests and between central and local governments. We must explore new formulas and blaze new trails in light of the new situation and new requirements. We should place an early and effective grasp on the work in preparation for and of service to the project. As soon as the NPC passes the motion on the Three Gorges, we must take action in time. In particular, we should properly resettle the people around the proposed dike sites.

Guan Guangfu said: It is of great importance for us to seize the opportunity offered by the Three Gorges project to give play to Yichang's advantages to develop ourselves and give an impetus to opening and development of the Chang Jiang economic development strip. Whether Hubei and Yichang will seize this opportunity is a test for them. If we failed to make a success of our work and were eliminated in the merciless competition,

we would lose the opportunity and have a guilty conscience toward the people. Therefore we must be determined to make our work successful.

Guan Guangfu finally said: To accomplish the task of building up a new Yichang, the most important thing to do is to provide a organizational guarantee. The provincial party committee and government have decided to merge Yichang Prefecture and Yichang City into a single whole and have submitted the decision to the central authorities for approval. The provincial party committee and government have also organized a new leading body for Yichang. This is a major decisionmaking to meet the demands of the Three Gorges project and to stimulate reform and opening. The provincial party committee hoped and believed that Yichang City's new leading body would never let down the party and the people, study hard, forge ahead in unity, seek unity of thinking by means of the central guidelines, rely upon the broad masses of people, and attentively listen to veteran cadres' opinions to serve the Three Gorges project and build up a new Yichang in an effective way. [passage omitted]

Xiong Qingquan Views on Training Entrepreneurs

HK2603040892 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 24 Mar 92

[Excerpts] Yesterday, provincial party committee Secretary Xiong Qingquan and provincial Governor Chen Bangzhu invited a number of enterprise leaders, who were currently attending the Fifth Session of the Seventh National People's Congress in Beijing, to a forum to discuss the question of training a competent provincial contingent of entrepreneurs.

Among those attending the forum were: Fan Wenquan, director of the Zunyi Refrigerator Factory; He Zhenling, director of the Xinhua Porcelain Factory; Wu Qi, director of the Yelu Shoe Factory, which is situated on the outskirts of Changsha; and others. [passage omitted]

The participants in the forum unanimously held: Industry is one of Hunan's weak links. In order to speed up economic development and bring about a comfortably well-off life in Hunan, it is necessary to train a batch of provincial entrepreneurs who are wholly devoted to their enterprises. [passage omitted]

The participants maintained: In training a provincial contingent of entrepreneurs, it is necessary to adhere to the principle of stressing both moral integrity and professional competence.

Xiong Qingquan and Chen Bangzhu delivered speeches at the forum, in which they pointed out: Some 70 percent of unprofitable enterprises across the province are plagued by incompetent leadership. Therefore, a pressing task confronting Hunan at present is to train a large number of competent and qualified entrepreneurs and step up enterprise leadership building with a view to bringing about a fundamental turn for the better in

overall provincial economic work at an earlier date and guaranteeing successful attainment of the second-stage strategic goal.

North Region

Li Ximing on Tasks of Beijing's Social Sciences

SK2603041592 Beijing BEIJING RIBAO in Chinese
21 Jan 92 p 1

[By reporters Duan Wenruo (3008 2429 5387) and Guo Hongxin (6753 3163 2450): "Further Develop and Promote Philosophy and Social Sciences To Better Serve the Two Civilizations of the Capital"]

[Text] Beijing Municipality's conference on the drawing-up of the Eighth Five-Year Plan for philosophy and social sciences was held on 20 January. Municipal leaders presented the second municipal award for outstanding philosophical and social science achievements. Participants to the conference summarized experiences, defined the major future tasks, and emphasized the need for taking Marxism-Leninism-Mao Zedong Thought as the guidance, comprehensively and accurately implementing the party's basic line, and further promoting philosophy and social sciences to serve the "two civilizations" of the capital.

Attending the conference were leading comrades Li Ximing, Wang Xian, Zhao Pengfei, Bai Jiefu, Wang Jialiu, Li Zhijian, Lu Yucheng, Wang Baosen, and Zhang Dazhong as well as leading comrades of pertinent central departments. Also attending were responsible comrades of the departments, committees, and offices of the municipal party committee and government; pertinent party secretaries and propaganda directors of districts and counties; leading comrades of some bureaus, general corporations, and colleges and universities; and philosophical and social science workers.

Comrade Li Ximing spoke at the conference. Li Zhijian, Standing Committee member of the municipal party committee and leader of the municipal leading group for the planning of philosophy and social sciences entitled: "Further Develop and Promote Philosophy and Social Sciences To Better Serve the Two Civilizations of the Capital." Vice Mayor Lu Yucheng chaired the conference.

Thanks to the leadership and concern of the municipal party committee and government and the conscientious and responsible appraisal of more than 200 specialists, 241 outstanding achievements were selected from the 848 research achievements that had been applied for the second municipal award for philosophical and social science achievements. Seven of the prize-winning achievements won the special prize, 66 won the first prize, and 168 won the second prize. The appraisal represented a review of Beijing's development of philosophical and social science undertakings and its contingent of theoretical workers over the past four years. It fully reflected the fruitful achievements won by Beijing's

philosophical and social science workers by implementing the party's basic line, integrating theory with practice, adhering to the "double-hundred" policy, making brave explorations, and exerting strong efforts with the guidance of Marxism-Leninism-Mao Zedong Thought.

Li Ximing said: The basic task and major aspect of Beijing's social science research work are to study, with the guidance of Marxism, the series of practical and theoretical economic, political, and cultural issues concerning the efforts to fulfill the great task of building socialism with Chinese characteristics so as to provide capable theoretical guidance, effective policymaking data, and a sound public opinion to Beijing's socialist modernization, reform, opening up, and comprehensive implementation of the party's basic line. It is hoped that social science workers throughout the municipality will clearly understand their historically important duties, enhance their sense of political responsibility and mission, unite as one, raise their spirit, and actively plunge themselves into the practice of this arduous task so as to provide more and better scientific research achievements for the correct and comprehensive implementation of the party's basic line and for stepping up the building of the "two civilizations" of the capital.

Li Ximing pointed out: The next 10 years constitute a crucial period for Beijing's economic and social development, during which the socialist modernization of the capital will enter a new historical stage. We should make utmost efforts to fulfill Beijing's 10-year Program and Eighth Five-Year Plan for economic and social development. The great practice in building socialism with Chinese characteristics and Beijing's great undertakings of socialist modernization, reform, and opening up provide a vast world for social science workers to fully develop their wisdom and intelligence. The vast number of social science workers should adhere to the principle of integrating theory with practice, seeking truth from facts, and proceeding from reality in doing everything, have the courage to deal with the most difficult and most complicated theoretical and practical issues on social science research with correct ideological guidance and with Marxist stand, viewpoints, and methods. They should have a sacrificing spirit of advancing in the face of difficulties and the courage to scale heights. Theoretical workers and workers engaged in practical work as well as comrades specialized in different fields of science should learn from, understand, and respect each other, strengthen unity, and pool efforts to serve the modernization program of the capital. It is hoped that the vast number of social science workers, especially young ones, will intensify the study of Marxism-Leninism-Mao Zedong Thought and go deep into society to learn from practice and the masses so as to continuously improve their research ability and research level. Party committees at all levels should strengthen leadership over social science undertakings. Based on the practice and characteristics of the work of social sciences, party organizations on the social science front should step up efforts to

improve the party in organization, ideology, and work styles so that they will become strong bastions leading social science workers in performing their work.

In his work report, Comrade Li Zhijian summarized the experiences in drawing up the Seventh Five-Year plan for Beijing's philosophy and social sciences and offered opinions on the planning of the Eighth Five-Year Plan.

Hebei Prefectures Approve Foreign-Funded Firms

OW2303151992 Beijing XINHUA in English
1423 GMT 23 Mar 92

[Text] Shijiazhuang, March 23 (XINHUA)—North China's Hebei Province recently promulgated a 12-article regulation, allowing six prefectures and prefectural-level cities to approve the establishment of foreign-funded enterprises.

These prefectures and prefectural level cities include Qinhuangdao City, Tangshan City, Cangzhou City, Shijiazhuang City and Cangzhou Prefecture.

However, the new regulation does not allow the prefectures and cities to decide foreign-funded projects which are controlled by the state government.

According to the regulation, the province also granted county level governments the right to approve the establishment of foreign-funded enterprises in rural areas.

This is part of the province's efforts to simplify the procedures for the establishment of foreign-funded enterprises.

Tianjin Non-Communists Take Leading Positions

OW2603083592 Beijing XINHUA in English
0812 GMT 26 Mar 92

[Text] Tianjin, March 26 (XINHUA)—Noncommunist personnel entrusted with various government leading positions in Tianjin have devoted their intelligence and made outstanding contributions to the economic construction in this coastal city of China.

In the past three years, more than 1,500 noncommunist personnel have taken leading positions in governments at various levels and in institutions, as an important measure to step up multi-party cooperation political consultative systems.

Among these 1,500 people, 123 were appointed as leading officials in the people's congress, people's political consultative conference and people's governments at district and county levels.

These people have been fully taking the responsibilities in their positions. Huang Qixing, a noncommunist who was appointed as vice director of Tanggu District, produced a highly practical suggestion to step up the openness of the district by encouraging the development of the foreign-funded enterprises. His suggestion aroused great attention from the municipal government and was eventually

adopted. Huang was elected as vice chairman of the Standing Committee of the Tianjin Municipal People's Congress owing to his outstanding performance.

Feng Changgen, a nonparty member who serves as vice director of the Jinghai County government, engaged himself in the development of education in the county. Thanks mainly to his efforts in the past three years, a vocational education system has taken shape in Jinghai County and the county was cited as an advanced county in fundamental education by the State Education Commission.

Another noncommunist man, Yang Dazheng, was responsible for the control of infectious and vocational diseases when serving as vice director of the bureau of health in the municipal government. His hard work resulted in a big drop of disease incidence.

Northeast Region

Heilongjiang Official on Land Contract Stability

SK2603042792 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 24 Mar 92

[Text] After Heilongjiang's rural areas began preparations for farming, peasants' letters and visits to higher authorities to ask questions concerning land contracts increased. In view of this, a reporter of this station recently interviewed (Ren Zhaokui), deputy secretary general of the provincial government in charge of agricultural work, to ask him to answer some questions which concerned the masses on the policies concerning rural land contracts.

Deputy Secretary General (Ren Zhaokui) said: It is the party's basic rural policy to be adhered to for a long time that land contracts remain unchanged for 15 years and more. This basic policy conforms to the current level of rural productive forces and the desires of peasants. The CPC Central Committee's decision on agriculture and rural work adopted at the eighth plenary session of the 13th party Central Committee last year profoundly expounded this policy and pointed out that land contracts already signed should remain by and large stable and unchanged. The eighth plenary session of the sixth provincial party committee also emphasized the need to keep the land contract system stable. When stressing the need to deepen the rural reform, we should stabilize the party's basic rural policies focusing on the system of the household-based contracts linking remuneration to output. Of course, we should also make improvements to the system that should be done when we emphasize the need for stability. Improvement is made for the purpose of stability. In fact, in line with the central principle of large-scale stability and minor adjustments, some rural areas of the province conducted necessary adjustments of land contracts to make the land contract system more stable and perfect. In the process to improve the system, these areas respected the opinions of the majority of people instead of imposing demands on them and carried out the work strictly to avoid disruption of contracts

and land redistribution. In the past few years, many localities of Heilongjiang applied the method of unified planting and independent management to the plots that are scattered and not suitable for mechanized farming and achieved fairly good results. Many localities also applied Fangzheng County's system of two categories of farmland to alleviate the uneven distribution of land to a great extent.

When asked how to solve the problems of some localities which arbitrarily increased the reserve farmland to expand the collective economy, unilaterally changed contracts, and raised contract fees without authority, (Ren Zhaokui) said: These are problems fairly common at present. In the past few years, some localities withdrew the farmland contracted to peasants, expanded the reserve farmland, and adopted other methods difficult to accept by the masses to expand the collective economy without considering peasants' desires. Such methods were wrong and should be resolutely corrected because they weakened peasant households' family-based operation, seriously dampened their enthusiasm, and affected the improvement of the system of household-based contracts linking remuneration to output. The basic purpose of expanding the collective economy lies in more and better services provided to household-based operation. The purpose is never to negate and weaken the household-based operation. To expand the collective

economy, we should mainly rely on developing new sources to increase new wealth. We should never expand the collective economy at the expense of peasants' interests and arbitrarily change the contents of the contracts. We should prohibit increases of the land contract fees and collective accumulation funds either for the purpose of expanding the collective economy or for the purpose of paying collective expenses. Such a phenomenon should be banned.

(Ren Zhaokui) said to the reporter: To ensure the smooth preparations for spring farming, the provincial government sent a message to various localities on 9 March, urging them to achieve success in stabilizing the land contract policy to ensure the smooth progress of spring farming. Localities which are adjusting the land contracts or are preparing to do so should all stop the adjustments without exception. Localities which already adjusted the land contracts last winter and this spring should conscientiously conduct an examination to successfully stabilize and improve land contracts. They should do a good job in resolving the contradictions of a small number of peasant households which have complaints. Never should they let the land contract adjustments affect the smooth progress of spring farming and the large-scale discussion on the endeavor of achieving a fairly comfortable life.

Taiwan Businessmen Irked at Japanese 'Nibbling'

HK2603074792 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1234 GMT 12 Mar 92

[Roundup by Li Xiaozhun (2621 1321 6150)]

[Text] In recent years, Japanese businessmen have nibbled at a number of Taiwan enterprises, particularly in the trades of automobile, motorcycle, and household electrical appliances, by means of investment and technology transfer. Japanese businessmen usually adopt the means of checking the Taiwan businessmen, throwing a long line to catch a big fish, and seeking payments for technology transfer, in order to practice usury and line up their pockets. As a consequence, a number of Taiwan businessmen have poured out their grievances, yet they can do nothing.

According to businessmen on the island, automobile, motorcycle, and household electric appliances industries have been under long-term control of the Japanese businessmen because of the key parts or technological cooperation contracts. Besides the difficulties in technological assimilation, they also had to be slavishly dependant on key Japanese technology. A person in charge of the Sanyang Automobile Company disclosed that the Japanese always hold back a trick or two in their cooperation with Taiwan manufacturers. It looks like technological cooperation, but is actually "technological exploitation." While the automobile manufacturers had to import parts from Japan, they also had to annually pay 2 to 4 percent of the compensation for the technology to the Japanese businessmen.

Taiwan's household electrical appliances manufacturers also cannot extricate themselves from the Japanese businessmen. The Japanese have restricted export of Taiwan video recorders produced in cooperation. Moreover, the

contracts also stipulate that a certain amount of money should be paid to the Japanese for producing every video recorder. The situation for motorcycles is also the same. In the cooperation with Japanese businessmen, there are various kinds of restrictions in design, production, and marketing.

Some people who are familiar with the operation tactics of Japanese businessmen disclosed that one of means adopted to keep Taiwan enterprises under their control is using the Chinese to check the Chinese. The Japanese are fond of dividing a technological contract to several manufacturers for cooperation. In light of assignment by Japanese businessmen, the local Taiwan manufacturers produce slightly different products. If a certain manufacturer is disobedient, the Japanese will use another manufacturer to press its cooperative partner, resulting in difficulties for the existence of the local manufacturers.

The other means is nibbling. While establishing a joint venture at first, the Japanese side makes a small investment and offers some technology. When the company suffers from deficits and is losing, the Japanese take big moves to increase their shares. At the time when the company has turned deficits into profits, the joint venture actually becomes an exclusively Japanese-owned company.

Moreover, the Japanese are also good at the tactic of throwing a long line to catch a big fish. As most of the Taiwan manufacturers cannot afford to pay the huge amount of technology compensation, the Japanese side asks for withdrawing a certain proportion of technology compensation from the sales volume. After a few years, the Japanese businessmen can enjoy the fruits of others' work while the money paid by Taiwan manufacturers every year is several times higher than the technology directly purchased from Europe and the United States.

McDonnell Douglas-Taiwan Aerospace Talks Expected
*OW2503164692 Taipei CNA in English 1504 GMT
25 Mar 92*

[Text] Washington, March 24 (CNA)—McDonnell Douglas and Taiwan Aerospace are expected to hold a new round of discussion over a proposed joint venture next month, according to the latest issue of the AVIATION WEEK AND SPACE TECHNOLOGY.

The weekly said that a definitive agreement for the cooperation will very possibly be signed this summer.

Citing industry sources, the weekly reported that Taiwan's commercial involvement in the McDonnell Douglas plan of MD-12 production will probably reduce to 20 percent, not the 40 percent as was originally discussed.

But, contacted by CNA, a McDonnell Douglas spokesman denied the report, saying that it is not true. "We are still studying the feasibility of the cooperation, and will soon announce the conclusion," he said.

The spokesman described as speculative the reports that the negotiation between McDonnell Douglas and Taiwan Aerospace could finally conclude without any agreement, and that Taiwan might reduce its investment in the partnership.

The weekly, however, said that John N. Feren, Douglas vice president for commercial marketing and contracts, and other officials of the American company have repeated in open statements that the overall Taiwan percentage could fluctuate as negotiations continue, though they suggested that there is still strong interest in Taiwan to pursue the joint venture.

McDonnell Douglas and Taiwan Aerospace signed a memorandum of understanding last November for the latter to purchase up to 40 percent of the Douglas commercial business. Under the memorandum, the fuselage and wings of the planned MD-12 would be built in Taiwan and shipped to a final assembly site in the United States.

France To Cooperate in Protecting Property Rights
*OW2603092792 Taipei CNA in English 0744 GMT
26 Mar 92*

[Text] Taipei, March 26 (CNA)—The Republic of China [ROC] and France will strengthen their cooperation in intellectual property rights protection and will enhance patent and trademark exchanges, delegates to the Sino-French economic consultation announced Wednesday.

The Sino-French economic consultation, co-chaired by Didier Lombard, director general of the French Industrial Development Bureau and Lin Yi-fu, deputy director general of the Board of Foreign Trade, concluded Wednesday.

The two sides also agreed to increase personnel exchanges to enhance intellectual property rights protection, Lin said.

Other topics discussed by the delegates included Taiwan's excise duties on liquors, the opening of the Taiwan insurance market to foreign nations other than the United States, and voluntary restrictions on bicycle exports.

Kuomintang Appoints Envoys to Grenada, Belize
*OW2603091592 Taipei CNA in English 0738 GMT
26 Mar 92*

[Text] Taipei, March 26 (CNA)—The Kuomintang Central Standing Committee Wednesday endorsed the appointment of Lin Tsun-hsien and Chang Shu as Republic of China [ROC] ambassadors to Grenada and Belize respectively.

Lin, 62, a native of Taiwan, will succeed Liu Po-lun, who will be assigned to another post at a later date.

Lin will concurrently serve as ambassador to St. Vincent and the Grenadines, Saint Lucia, Saint Christopher and Nevis, and the Commonwealth of Dominica.

He is now deputy director of the Coordination Council for North American Affairs in Washington.

Chang will replace Hung Chien-hsiung as ambassador to Belize. Chang, 59, of Taiwan, graduated from National Taiwan University and earned an M.A. degree from National Chengchi University. Chang has served as counsellor of the ROC embassy in Ivory Coast and as ROC representative to Mauritius.

Premier Hao Receives Belize Governor-General
*OW2603091792 Taipei CNA in English 0741 GMT
26 Mar 92*

[Text] Taipei, March 26 (CNA)—Premier Hao Po-tsun said Wednesday Belize and the Republic of China [ROC] have maintained good relations and the ROC is more than willing to lend its experience to help Belize develop industries.

The premier made the remarks while receiving Dr. Minita Gordon, governor-general of Belize, at the Executive Yuan.

Hao said Belize has a rich cultural heritage as the people of the Central American country are heirs of the ancient Maya culture. The Belize people, he said, are also blessed with a laudable democratic tradition which can be studied by the people of Taiwan.

Hao and Mrs. Gordon exchanged views on matters of mutual concern including agricultural, fishery, and educational developments in Belize.

South Africa To Strengthen Economic Ties*OW2603092292 Taipei CNA in English 0754 GMT
26 Mar 92*

[Text] Taipei, March 26 (CNA)—South Africa will further strengthen its trade and economic relations with the Republic of China [ROC], one of Pretoria's most important trade partners, South African Ambassador Alan McAllister Harvey said Wednesday.

Harvey was speaking at a news conference introducing a South African trade fair being held at the Far Eastern Department Store in Taipei's bustling Hsimenting business district.

Harvey reported that two-way trade between the Republic of China and South Africa has grown by leaps and bounds in recent years. South African exports to Taiwan surpassed the \$1 billion mark for the first time in 1991, he noted.

"Our sales to Taiwan jumped 5 percent in 1991 as compared with the year before," Harvey said. "Taiwan was one of the few countries that increased their purchases from our country during the past year."

The South African Embassy has cooperated with Far Eastern Department Store to organize an annual trade fair to promote South African products here for the past seven years ago.

"The annual event has been fruitful and successful," a delighted Harvey noted. "Through these highly-publicized promotions," he explained, "Taiwan consumers have become more familiar with our products."

Harvey said South Africa wants to join in Taiwan's multibillion-dollar Six-Year National Development Plan which includes a number of massive construction projects. "We hope to share in the big pie," he said.

With advanced expertise in construction, transportation and power generation, South Africa will be a good partner to help Taiwan complete its ambitious development plan, Harvey stressed.

Vatican Official Leaves for Visit to Taipei*OW2503164592 Taipei CNA in English 1521 GMT
25 Mar 92*

[Text] Rome, March 25 (CNA)—John Foley Patrick, president of the Committee of Social Communication of the Holy See, left for Taipei Wednesday for an six-day visit.

During the visit to the Republic of China [ROC], Foley will meet with Foreign Minister Chien Fu and other ranking ROC officials.

Foley will also visit Kwan Chi TV Center and inspect the Catholic diocese of Taiwan.

Government Not To Change Stance on GATT Issue*OW2603092092 Taipei CNA in English 0800 GMT
26 Mar 92*

[Text] Taipei, March 26 (CNA)—The Republic of China [ROC] will stand firm on its position of joining the General Agreement on Tariffs and Trade (GATT) as a customs territory, a Foreign Ministry official said Wednesday.

"While seeking to enter the organization, we'll not consider changing the name we have used in the application form," stressed the official, who preferred anonymity.

The ROC applied to join the Geneva-based world trade promotion body under the name "Taiwan, Penghu, Kinmen and Matsu Customs Territory" on Jan. 1, 1990.

"Our application completely complies with GATT rules and regulations," the official noted. Peking has reportedly insisted that Taiwan use the name "Taipei, China."

Quoting authoritative American sources, the official said the GATT administrative council is "very likely" to discuss for the first time Taiwan's membership application during its next monthly meeting scheduled for late April.

The "expected" move is the result of a series of "behind-the-scenes" consultations between the United States and other major GATT contracting parties, the official observed.

He reported that the United States, Taiwan's foremost trade partner, has been trying to help the ROC gain a seat in the GATT.

"The basic U.S. position on our GATT bid has consistently agreed with ours," the official said. "Both of us agree that Taiwan's application for GATT membership has nothing to do with Peking's, and the two cases must be handled separately."

Peking applied to join the GATT in 1986, but its application has been complicated by its centrally controlled economic system which conflicts with GATT's free trade principles.

Li Teng-hui Comments on Presidential Election*OW2603092392 Taipei CNA in English 0749 GMT
26 Mar 92*

[Text] Taipei, March 26 (CNA)—Kuomintang Chairman Li Teng-hui said Wednesday that the KMT has been studying various methods of electing the nation's future presidents without deciding on which one to choose.

The KMT chairman explained to KMT national assemblypersons how the party has decided to keep debate alive on "direct election of the president through popular

vote" and "direct election of the president through delegates."

The KMT task force on constitutional amendment, headed by Vice President Li Yuan-zu, has been studying the two methods ever since its establishment, Li added.

Sung Chu-yu, KMT secretary general, told the gathering at the Armed Forces Officers Club that the president will call a special assembly session before May 20, 1995 to choose between the two methods.

The KMT chief of staff emphasized that it is the National Assembly that will decide on the method to elect the president.

Before making his announcement, Sung reported that he had asked for the opinions of a number of members of the KMT Central Standing Committee (CSC).

The CSC members suggested that the president convene a special National Assembly session to decide on the method of electing the president before May 20, 1995, Sung said.

The suggestion won the "unanimous approval" of the KMT assemblypersons who stood in ovation after hearing Sung's report.

Sung then said that "time is on our side," and noted that as soon as the general public reaches a consensus on the issue, the president will call a special National Assembly meeting for its members to choose between the two.

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